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Japan

MITI Minister Hashimoto Hampers Framework Talks

OW0709061694 Tokyo SHUKAN DAIYAMONDO in Japanese 10 Sep 94 p 15

[Text] "Ryutaro Hashimoto, minister of international trade and industry [MITI], is likely to thwart a U.S.-Japan agreement." Officials concerned in the Foreign Affairs and Finance Ministries are entertaining such a highly alarming fear as the Japan-U.S. framework trade talks approach a finale.

In the Japan-U.S. framework talks that have had rough going, the U.S. has gradually softened its stance on the objective criteria that are the focal points of the talks; therefore, according to government sources, "of the three priority sectors, both sides are likely to reach an agreement on the government procurement sector and the insurance sector in September." Consequently, Foreign Minister Yohei Kono and MITI Minister Ryutaro Hashimoto are scheduled to visit the United States one after the other in the second week of September for negotiations.

The trouble, however, is that the settlement of the automobiles and auto parts problem, which is one of the three priority sectors, is still considered to be difficult. The reason for this is that an agreement has not yet been reached regarding the U.S. demand that the Japanese Government guarantee the execution of foreign products purchase plans compiled by Japanese automakers.

MITI has jurisdiction over automobiles and auto parts (government procurement and insurance are under the jurisdiction of the Foreign Affairs Ministry and Finance Ministry respectively), and there is a possibility that MITI will be left behind as the Japan-U.S. framework talks approach their finale.

MITI Minister Hashimoto is an influential minister who is well versed in government policies, and according to Liberal Democratic Party sources, he is also a man of great self-respect. Therefore, bureaucrats in the Foreign and Finance Ministries entertain some fear that Minister Hashimoto will not be able to bear his ministry being an exception and will insist on the "convoy system"—that agreement in all three sectors should be reached at the same time.

If this occurs, the agreements on government procurement and insurance will come to naught. Bureaucrats are in great fear because when Hashimoto was finance minister, he made the Bank of Japan's decision to revoke an official discount rate hike, saying that "he had been made to lose face."

Kono Leaves Cairo for Trade Talks in Los Angeles

OW0709105494 Tokyo KYODO in English 1039 GMT 7 Sep 94

[Text] Cairo, Sept. 7 KYODO—Japanese Foreign Minister Yohei Kono left Cairo on Wednesday [7 September] for Los Angeles where he will participate in three days of ministerial trade talks opening Friday among Japan, the United States, Canada and the European Union.

Kono attended the U.N.-sponsored International Conference on Population and Development which aims to adopt a 20-year action program to slow the global population explosion.

Kono left Japan on Aug. 28 on a tour which took him first to New York, followed by Brazil, Argentina and Egypt, and winds up in Los Angeles.

Tokyo To Offer Compromise in Framework Talks

OW0709084294 Tokyo KYODO in English 0824 GMT 7 Sep 94

[Text] Washington, Sept. 7 KYODO—Japan will offer a new compromise on government procurement taken up in stalled talks with the United States on a new trade framework, a Japanese trade official said Wednesday [7 September].

The official, speaking on condition of anonymity, said the new compromise will be presented when Deputy Foreign Minister for Economic Affairs Sadayuki Hayashi meets with Deputy U.S. Trade Representative Charlene Barshefsky in Los Angeles on Thursday.

The new proposal is designed to make it easier for U.S. companies to bid for telecommunications and medical equipment sales procured by the Japanese Government and public entities, the official said.

The upshot of it is that Tokyo will gradually lower the minimum value of such equipment to be procured under the so-called comprehensive tender system to a level sought by Washington.

Under such a tender system, the government decides which to purchase on the basis of not only price but also product function.

Japan has offered to keep the minimum value at 800,000 International Monetary Fund special drawing rights (SDRS) or about 112 million yen.

Washington has demanded the minimum value to be lowered to 250,000 SDRS or some 35 million yen.

Japanese negotiators had shrugged off the U.S. demand, fearing that it could increase the burden of procurement officers at government ministries and state hospitals and universities.

The official said the new compromise will be made on condition that Washington will drop its demands that targeted market shares be included in objective criteria to measure progress in opening Japanese markets.

"We can't make any more compromises" on objective criteria, the official said.

Government procurement is one of the three areas given priority under the so-called "framework talks" aimed at cutting Japan's huge trade surplus and improving U.S. access to its markets.

Japanese Foreign Minister Yohei Kono is also slated to meet with U.S. Trade Representative Mickey Kantor in Los Angeles on Thursday in a bid to break an impasse in the framework talks ahead of the Sept. 30 deadline set by Washington for possible trade sanctions.

Trade Negotiations on Autos Planned End of Sep

OW0709070994 Tokyo KYODO in English 0633 GMT 7 Sep 94

[Text] Ottawa, Sept. 6 KYODO—Japan and the United States will hold vice ministerial talks on autos and auto parts under the bilateral trade "framework" negotiations in the last week of September in Washington, a Japanese official said Tuesday [6 September].

The official accompanying Ryutaro Hashimoto, minister of international trade and industry, on his visit to Canada and the U.S., said working group talks will be held in the middle of the month in Tokyo.

Hashimoto was set to move on to Washington on Wednesday, where he is scheduled to meet U.S. Trade Representative Mickey Kantor and Commerce Secretary Ron Brown.

The official said he hopes the auto talks will be wrapped up within the month.

Washington has set a Sept. 30 deadline and Japan could face sanctions under the Super 301 clause of the 1988 Trade Act if progress is not made by then.

On Monday, Japanese Chief Cabinet Secretary Kozo Igarashi said it is unlikely the auto and auto parts talks can be concluded before the end of the month, and he hoped discussions will be continued.

However, he was optimistic that negotiations on two other priority areas of the "framework" talks—insurance and Japan's procurement of telecommunications and medical equipment—can be concluded within the month.

Tokyo To Reject Numerical Targets in Trade Talks

OW0609105694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Sep 94 Evening Edition p 1

[Text] On the morning of 5 September, Chief Cabinet Secretary Kozo Igarashi was asked by reporters about prospects for the Japanese-U.S. framework trade talks. He said: "The two nations plan to hold (talks) again at the end of this month. The automobile talks are different from the talks on other sectors. It will take more time." In this way, he indicated that although it was highly possible that Japan and the United States would reach an agreement during September on "government procurement" and "insurance services," which are two of the three priority areas in the trade negotiations, settling talks on "autos and auto parts" would be delayed until October. In a related development, a government source stressed Tokyo's intention to reject numerical targets when he was asked the same morning about how the government would deal with the framework trade talks.

Canada Sides With Tokyo

OW0709023394 Tokyo KYODO in English 0129 GMT 7 Sep 94

[Text] Ottawa, Sept. 6 KYODO—Canadian Minister for International Trade Roy MacLaren supported Japan's objection to setting numerical targets to gauge market access, Japanese officials said Tuesday [6 September].

MacLaren told Japanese International Trade and Industry Minister Ryutaro Hashimoto that numerical targets could lead to managed trade, they said.

The definition of U.S.-proposed "objective criteria" to measure progress in market access has been the major point of conflict between Japan and the United States, leading to a deadlock of the bilateral trade "framework" negotiations.

Hashimoto told MacLaren that Japan will maintain its stance that it cannot accept objective criteria.

In reference to the ministerial meeting of Japan, the U.S., Canada and the European Union on trade this weekend in Los Angeles, Japan and Canada agreed to support a U.S. proposal on major themes in the post-Uruguay Round negotiations era, such as intellectual property and investments.

Canadian Foreign Minister Andre Quellet expressed support to Hashimoto for Japan to become a permanent member of the UN Security Council, the officials said.

The issue has sparked debate in Japan about potential military commitments and whether it may go beyond Japan's constitution that bans use of force to settle disputes.

On Tuesday, Hashimoto also met Industry Minister John Manley. He will leave for Washington on Wednesday for talks with U.S. Government officials on the bilateral trade talks before the Los Angeles meeting.

Super 301 Sanctions Will Not End Trade Talks

OW0709114594 Tokyo MAINICHI SHIMBUN in Japanese 7 Sep 94 Morning Edition p 9

[Text] On 6 September, a senior Ministry of International Trade and Industry [MITI] official disclosed the

Japanese Government's stance toward the 30 September deadline for the United States' economic sanctions according to the Super 301 Provision of the Trade Omnibus Act, which stipulates sanctions against unfair trade practices of foreign nations.

Commenting on the issue, the MITI official stated: "Even if the United States designates items for sanctions, we will not break off the Japan-U.S. economic framework talks."

MITI, MOFA 'Struggle' May Affect U.S. Trade Talks

OW0409135494 Tokyo YOMIURI SHIMBUN in Japanese 4 Sep 94 Morning Edition p 9

[Text] Japan is the only nation that has decided to send two ministers to the quadrilateral [United States, Canada, EU, and Japan] trade meeting, while the other nations and regions attending will each send only a single trade minister. One is Ryutaro Hashimoto, the international trade and industry minister, while the other is Foreign Minister Yohei Kono. This indicates that a struggle has again come to light between the Ministry of International Trade and Industry [MITI] and the Ministry of Foreign Affairs [MOFA] over leadership in trade negotiations.

The confrontation between these two ministries is an old story, but the tensions have been further increasing ever since all the kingpins in the Liberal Democratic Party [LDP] assumed posts as ministers. For example, at the time when the Naples summit was a big issue, MITI Minister Hashimoto once flew into a rage and yelled at senior MOFA officials because the MOFA did not show to MITI U.S. President Bill Clinton's written message on his market-opening plan until just before the summit.

It has been also reported that MITI, which is in charge of the quadrilateral trade meeting, tried to hinder Kono from attending this meeting in advance. Although MITI denied the report, its senior official admitted this and said, "When we made an inquiry of the United States, which will chair the meeting, we only learned that the invitation had already been sent to the foreign minister."

Just before the quadrilateral meeting, both ministers will hold talks with U.S. Trade Representative Mickey Kantor separately to discuss the Japanese-U.S. economic framework talks.

The two ministries decided to send their officials to each meeting with Kantor so as to maintain consistency in Japan's negotiating strategy. However, if the negotiations enter their final stage, it is questionable whether the two ministers can take concerted action in terms of subtle wording and detailed negotiations. Apprehension still remains because the framework talks are now reaching their decisive point.

Keidanren: Businesses Should Have Say on Reform

OW0709050594 Tokyo KYODO in English 0435 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—A leading business organization Wednesday [7 September] urged the Liberal Democratic Party (LDP), one of the ruling coalition members, to include private-sector opinions when the government compiles its five-year action plan to promote deregulation.

The Federation of Economic Organizations (Keidanren) called on Koichi Kato, chairman of the LDP Policy Affairs Research Council, to set up a working group including members from the private sector to study the deregulation program that the government hopes to compile within the current fiscal year.

Kato was attending the first meeting of an administrative reforms forum sponsored by Keidanren and chaired by Hiroshi Okuda, vice president of Toyota Motor Corp.

Keidanren also requested establishing a committee to monitor development of deregulation, as well as the drafting of a bill to facilitate functions of local governments.

In reply, Kato merely commented on the importance of coordination among the three-party coalition, saying both politicians and the business sector are worried about the administrative reforms and specific actions will be required.

Keidanren urged Kato to curb the "amakudari" (descent from heaven) system of senior government officials landing jobs in private and other enterprises after retiring from government service.

Kato brushed aside the request, saying he cannot support plans that would lead to wasting capable human resources.

EPA Head Concerned About Foreign Exchange Rate

OW0209020594 Tokyo KYODO in English 0150 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—Japan's economic planner minister on Friday [2 September] expressed optimism about economic recovery, saying gradually emerging bright signs are spreading.

Economic Planning Agency Director General Masahiko Komura made the comment at a press conference after a regular cabinet meeting when asked for his views on the economic situation after the release of favorable industrial production and auto sales figures.

Komura declined, however, to elaborate, saying only that his agency will release a monthly economic report next week.

Asked what he is most concerned about, Komura mentioned foreign exchange rate movements.

He said he hopes the economy will be on a real recovery track, accompanied by an expansion of employment.

DA Comments on Impact of U.S. Corps' Transfer

OW0409134494 Tokyo KYODO in English 1310 GMT 4 Sep 94

[Text] Tokyo, Sept. 4 KYODO—A United States Army unit, which would supervise reinforcements to be sent to Japan in the event of a foreign invasion of Japan, will be absorbed into a unit based on the U.S. west coast, Defense Agency [DA] sources said Sunday [4 September].

The Defense Department has decided to integrate the Army's 9th Corps, currently stationed at the Zama Camp in Kanagawa Prefecture into the Army's 1st Corps, the sources said.

The 9th Corps was created to command 90,000 troops to be deployed as reinforcements from Hawaii and the U.S. mainland, and has a crucial role as a command unit with intelligence personnel rather than combat troops.

Japan's Ground Self-Defense Force has conducted annual joint command drills with the 9th Corps, and its departure will strip Japan of the critical guarantee that the U.S. and Japanese forces would be able to jointly command the operations of their troops at a time of emergency, the sources said.

The departure "will exert a serious impact on the operations of the Self-Defense Forces which have assumed that the U.S. military will come to the rescue when an emergency strikes Japan," an agency source said.

The Pentagon has not revealed the details of the projected structure of the U.S. Army troops stationed in Japan following the integration of the 9th Corps into the 1st Corps on the west coast, but some logistics troops of the 9th Corps may continue to be deployed in Japan, they said.

The commander of the 9th Corps, Lt. Gen. Jerome Granrud, will relinquish command to Maj. Gen. Waldo Freeman in a ceremony scheduled for Thursday at the Zama camp.

The assignment of a commander with the lower rank of the major general to command the 9th Corps is believed to reflect the ongoing restructuring of the entire U.S. military following the end of the Cold War, the sources said.

Development of YSX Jet With Boeing Endorsed

OW0109124194 Tokyo KYODO in English 1217 GMT 1 Sep 94

[Text] Tokyo, Sept. 1 KYODO—A Trade Ministry advisory council on Thursday [1 Sep] endorsed a plan for Japan to develop the YSX, a new generation of small jetliner, with Boeing Co. of the United States, ministry officials said.

The Aircraft and Machinery Industry Council, an advisory body at the Ministry of International Trade and Industry (MITI), made the endorsement in the belief that Boeing exceeds European aircraft builders in production and marketing expertise, the officials said.

The YSX, with 90 to 100 seats, is intended to replace the YS-11 airliner designed and manufactured in Japan.

Details of a YSX production project are expected to be worked out by next spring by MITI, Boeing, and Japanese aircraft builders Mitsubishi Heavy Industries Ltd., Kawasaki Heavy Industries Ltd. and Fuji Heavy Industries Ltd., the officials said.

Design work on the aircraft is expected to start in fiscal 1996, and if everything goes well, the YSX jetliner will make its debut in the year 2000, they said.

Hitachi Joins U.S. Multimedia Experiments

942A0660A Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Aug 94 p 12

[Text] Hitachi will participate in programs sponsored by Georgia Research Alliance (GRA), a research agency established in the State of Georgia to pursue leading-edge telecommunications technology. As its initial role, Hitachi will participate in a multimedia experiment linking universities, which is one of several next-generation telecommunications technology research projects sponsored by GRA beginning this fall. The Clinton administration in the United States has backed the "information highway concept" and both government and private sectors have joined in related programs, but this is the first time that a Japanese manufacturer has joined in a state-level research agency program. Hitachi's strategy here is to accumulate know-how in the United States, which has taken the lead in next-generation telecommunications and to establish a superior position in the Japanese market.

GRA is a nonprofit organization established in 1990 with a goal of developing a high-tech industrial society offering remote education and remote medical services. Membership in GRA includes the state government, North American information-telecommunications firms, such as IBM, AT&T, Northern Telecom, BellSouth, and Scientific-Atlanta, and the six principal universities in the state including Georgia Institute of Technology.

Hitachi will supply GRA with research funding beginning next month via its telecommunications equipment manufacturing subsidiary Hitachi Telecom USA located in Atlanta, Georgia, to become a member of the research agency. Specifically, Hitachi will deliver two asynchronous transfer mode (ATM) switching systems which will become core equipment in next-generation telecommunication networks and will engage in experiments on the interconnectibility of ATM switching systems while collaborating in tests on the ultra-high-speed transmission of data at 620 megabits (one megabit equals 1 million bits) per second between universities and in multimedia experiments involving fully animated video.

GRA visualizes the 1996 Atlanta Olympics in currently building the "Georgia High-Tech Telecommunications Center" and a plan to conduct leading-edge telecommunications technology demonstrations on a global basis to mark the opening of the Olympics. There is the possibility that Hitachi may participate in future multimedia experiments to be conducted at the center.

Hitachi Telecom USA is a development and production center for telecommunications equipment such as private branch exchanges (PBX) destined for the U.S. domestic market. The firm plans on launching the production of next-generation telecommunications equipment such as ATM-related equipment and superhigh-speed optical transmission systems called SONET beginning this fiscal year and has targeted sales of such equipment at more than 50 billion yen in fiscal year 1998. Georgia Institute of Technology recognized the firm's activities which are closely affiliated with the community and initiated inquiries for its participation in GRA.

In the U.S. next-generation telecommunications equipment field, Fujitsu has supplied ATM switching systems to the information highway project sponsored by North Carolina, and NEC has delivered ATM switching systems to a long-distance telephone company. However, both firms have been limited to the delivery of equipment to specific projects and up to now there has been no case where a Japanese manufacturer participated in a research agency whose membership included state governments and information-telecommunications firms.

Fanuc To Manufacture U.S. Firm's Linear Motors

OW0209030894 Tokyo KYODO in English 0246 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—Fanuc Ltd. announced Friday [2 September] it has gained a license from Anorad Corp., a U.S. high-tech firm, to make and sell its linear motors.

Fanuc, Japan's top maker of numerically controlled machine tools, now has the exclusive right to manufacture and sell all models of Anorad linear motors in Asia and the nonexclusive right to sell them worldwide, a company spokesman said.

Production is scheduled to begin in November at Fanuc's factory with about 100 units to be turned out each month. Shipment is planned to start in April next year.

Linear motors have two to three times the speed of conventional rotary motors and are to be used for machine tools which require high speed and high precision, the spokesman said.

Murayama Changes Policy, Supports UNSC Seat

OW0609134894 Tokyo KYODO in English 1331 GMT 6 Sep 94

[Text] Nagoya, Sept. 6 KYODO—Prime Minister Tomiichi Murayama shifted his stance Tuesday [6 September] on Japan's bid to gain permanent membership in the UN Security Council [UNSC] from reluctance to positive support.

Murayama, meeting reporters in Nagoya, said Japan must "consider how to live up to the expectations" of Southeast Asian countries, referring to support from some of the nations for Japan's Security Council membership bid.

The prime minister said the United Nations needs to reform itself to further reflect the will of its member nations.

He also said Japan should consider what the country should do within the framework of its war-renouncing constitution, based on the understanding of its people, and that Japan should take into consideration the expectations of related countries.

Thai Prime Minister Chuan Likphai, who is now in Japan, reiterated his country's support Monday for Japan's efforts to become a permanent Council member.

When Murayama visited four Southeast Asian countries in late August, Malaysian Prime Minister Mahathir Mohamed and Singaporean President Ong Teng Cheong also expressed support for the bid.

The premier had expressed reluctance over the issue out of his concern over Japan's obligations if it became a permanent member of the Security Council, saying such a position could strong-arm Japan to play roles that are outside the bounds of its pacifist constitution.

Murayama also said Japan should "sufficiently consider" lifting the ban on the participation of Japanese forces in joint military activities in UN peacekeeping operations.

In the past, he had been emphatically opposed to participation by Japan's Self-Defense Forces in such operations.

The premier was in Nagoya, central Japan, to support a candidate backed by his party and two other ruling coalition partners in a House of Councillors by-election.

Kono on UNSC Membership, DPRK Issue, Politics

OW0609124494 Tokyo YOMIURI SHIMBUN in Japanese 5 Sep 94 Morning Edition p 2

[Interview with Foreign Minister Yohei Kono by reporter Toshiyuki Ito in a Buenos Aires hotel on the afternoon of 3 September]

[Text] [Ito] Latin American countries have expressed their support for Japan's permanent admission to the UNSC. Could you give me your comment on that?

[Kono] I felt they had great expectations.

[Ito] What is the Japanese Government's course of action?

[Kono] The UN Charter draws no distinctions between UNSC members and ordinary member nations as to responsibilities and obligations. However, the Foreign Ministry must fully grapple with public debates on the responsibilities and obligations Japan has to bear when it obtains a permanent UNSC seat. On those grounds, we should convey the Japanese public's consensus to the international community. We would like to try harder to obtain the national consensus and foreign support before the UN General Assembly convenes in late September.

[Ito] There is concern that Japan may be urged to join military operations when it becomes a UNSC member.

[Kono] That is impossible no matter who ask us to do it. As far as I know, (contribution to military operations is) not a mandatory duty of UNSC members.

[Ito] Let me ask you straightforwardly. Do you want to join the UNSC or not?

[Kono] Not many people say Japan must not become a UNSC member. My stance is to go ahead and conduct the many consultations with the Japanese public and the international community.

[Ito] What is your stance toward financial assistance to build light water reactors in the DPRK (North Korea)?

[Kono] A complete settlement of suspicion of the nation's nuclear weapons development is the absolute prerequisite. If the condition is satisfied, we may consider it in line with the United States and the ROK.

[Ito] Do you think special inspections by the International Atomic Energy Agency (IAEA) is necessary?

[Kono] At the present, IAEA inspections are the best way to clarify past problems. I hope the DPRK understands this point and takes a cooperative attitude toward our offer. I am looking forward to seeing the DPRK's decision to behave as a full-fledged member of the international community because it would enable us to open economic, political, and cultural exchanges with the nation.

[Ito] What is your plan for the LDP leadership reshuffle scheduled for later this month?

[Kono] I have not made any decisions yet, but I will appoint people capable of fulfilling their duties satisfactorily.

[Ito] Some members are calling for reappointment of the top three party executives, including Secretary General Yoshiro Mori.

[Kono] After returning home, I will make my decision, keeping various opinions in mind.

[Ito] What about prospects for the three ruling parties joining for the elections?

[Kono] We will positively promote such multiparty cooperation everywhere we can. We should consider the circumstances in each election district and cooperate with other ruling parties through consultations with LDP prefectural branches. Since the three parties are jointly organizing the government, it is necessary to promote some kind of cooperation.

[Ito] How will you adjust candidates for the 1995 upper house elections in single-seat constituency districts?

[Kono] The LDP's election strategies will be determined in consideration of the individual election district's actual circumstances. But the party's principle is to back its own candidates as much as possible.

Further War Compensation Efforts Urged

OW0609085894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Sep 94 Morning Edition p 2

[Editorial: "Early National Consensus on Resolving the Issue of 'War Compensation' Necessary"]

[Text] On 31 August, the government announced in a speech by Prime Minister Tomiichi Murayama its "war compensation programs" to be implemented beginning in 1995, which marks the 50th anniversary of the end of World War II, and are based on soul searching in wake of the damages Japan inflicted on its Asian neighbors during the war.

Apologizing straightforwardly for past acts of aggression and colonial rule reaffirms the starting point of postwar Japan, which is never to repeat the mistakes it made during the war. This is commendable.

Initiating a program of peace and friendly exchanges totalling 100 billion yen to promote mutual understanding and trust with the Asian nations is also a timely project to commemorate 50 years of the end of the war. If only to build a "future-oriented relationship, rather than one based on atonement for the past," as proposed by ROK President Kim Yong-sam and Malaysian Prime Minister Datuk Mahathir, a correct historical perception and exchanges between people from all walks of life are necessary.

However, even if the victims have shown a generous attitude of forgetting past hatreds and forgiving past mistakes, we should not take advantage of that. As long as there are people suffering from pain inflicted in the past war, it is our duty as a member of the Asian community to compensate them.

Even during the postwar period of economic difficulties, we paid war reparations amounting to $1 billion. To the countries that gave up their war claims, we offered economic assistance in the form of loans or grants. With this, the issue of compensation for war damages can be said to have been resolved at the government level.

However, the present claims for war compensation presented in the various court cases concern specific damages inflicted on individuals that cannot be fully compensated through reparations paid to the state or through economic aid. One typical case concerns compensation for the so-called comfort women.

In the prime minister's speech, he reiterated Japan's repentance and apology on the comfort women issue. However, with regard to compensation, he used the expression: "We would like to seek ways through wide-ranging participation of the people." He indicated that compensation will be conducted through private sector funds, which will, in fact, take the form of donations.

For sure, the government's direct payment of compensation to individual foreign war victims involves many problems. It is difficult to tell to what extent compensation should be made. For instance, if comfort women are qualified to receive compensation, then so will men abducted for forced labor. And even if compensation is to be paid, it will be difficult to prove damages suffered 50 years after the war has ended.

Furthermore, this may also constitute a negation of the war reparation policy of governments that have established diplomatic relations with Japan under the agreement that war compensation issues have been resolved. These are the reasons why the government had to forego compensation to individuals.

However, is the government not taking the easy way out by saying that due to the many difficulties, we will have to rely on private donations? We have nothing against private donations, but the government has the primary responsibility for settling war compensation issues. If there is a need to make payments, can the government not work harder to find other ways and means to implement such payments? It is also necessary to build a national consensus on the government's war compensation payments.

The most unfortunate thing will be for Japan to continue to be criticized for not having compensated its neighboring countries, and for the Japanese people to be constantly annoyed by such criticisms.

Further on Visit by Australian Prime Minister

Pleased With Japanese Support

OW0609044194 Tokyo KYODO in English 0401 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Australian Prime Minister Paul Keating said Tuesday [6 September] he was pleased with Japanese support for free trade issues ahead of the Asia-Pacific Economic Cooperation (APEC) forum summit in Bogor, Indonesia, in November.

Briefing reporters on meetings he had Monday with Japanese Prime Minister Tomiichi Murayama and other government leaders, Keating said he has the impression the Japanese "want to see a commitment to trade liberalization in the region" at the Bogor meeting.

"I am sure Japan understands very clearly that APEC is half the world's population and half the world's production," Keating said.

"Japan's worldly-wise about this stuff," he said. "Mr. Murayama agreed with me that it is a great opportunity."

Keating, who is in Japan from Sunday to Wednesday on an unofficial visit, said he also briefed Murayama about the outcome of the July 31-Aug. 2 South Pacific forum meeting in Brisbane, Australia.

Keating chaired the meeting at which the leaders of 15 South Pacific countries and regions adopted a communique calling for "multilateral approaches" in fisheries negotiations with nations outside the region.

Keating said he called for Japan's cooperation in promoting the sustainable exploitation of fish stocks within the region.

"The Pacific is the principal source of fishing stocks to Japan," Keating said.

Keating also said he deplored the murder on Monday in Australia of John Newman, New South Wales (NSW) State Labor Party member for Cabramatta.

Police in Cabramatta, a western Sydney suburb, said Newman, 47, was gunned down as he and his Chinese-born wife, Xiao Jing (Lucy) Wang were placing a tarpaulin over their car.

Since 1986, Newman had been the NSW Labor member for Cabramatta, an area heavily populated by Asians, particularly Vietnamese and Chinese.

Newman was known for his campaign to rid his electorate of Vietnamese gang-related crime for which he had received several death threats.

Keating said he was "very depressed" about the shooting.

"I am somewhat lost for words," Keating said. "For the impact of this for someone in public life, he was quite committed to the community in Cabramatta so it is a bad day for life in New South Wales when this sort of thing happens.

"I would be concerned if it is a politically motivated killing," he said.

Keating rejected any suggestion the shooting could cause a backlash against the Vietnamese community in Australia.

"I think this is a very mature society and I think Australians will see this killing for what it is...an unacceptable act of criminal violence," he said.

It is believed to be the firsving Australian politician.

On Tuesday, Keating is due to meet with Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), and Ichiro Ozawa, secretary general of the opposition party Shinseito.

Leaves Tokyo for Home

OW0709040094 Tokyo KYODO in English 0332 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Australian Prime Minister Paul Keating left Tokyo for home on Wednesday [7 August] morning, ending his trip to Japan.

During his stay, Keating talked with Prime Minister Tomiichi Murayama and other Japanese Government and business leaders about UN reform, trade and other bilateral and international issues.

Thai Premier Urges Auto Makers To Invest

OW0709090094 Tokyo KYODO in English 0831 GMT 7 Sep 94

[Text] Osaka, Sept. 7 KYODO—Thai Prime Minister Chuan Likphai on Wednesday [7 September] urged Japan's auto and electric parts manufacturers to invest in his country.

Chuan, speaking at a luncheon in Osaka with leaders of five regional industrial groups, said that steps will be taken to reduce corporate tax and import tax to boost the entry of Japan's parts manufacturers.

He emphasized that Thailand is the biggest market among the countries of the Association of Southeast Asian Nations (ASEAN), and is the stronghold of the economically developing Indochina.

Japan's automakers, including Toyota Motor Corp. and Honda Motor Co., have already established businesses in Thailand.

Chuan also said he hoped the newly opened Kansai International Airport will further strengthen ties between his country and Japan.

Murayama Thanks Southeast Asian Leaders

OW0309143094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Sep 94 Evening Edition p 3

[Text] Prime Minister Murayama made separate phone calls from his official residence to Vietnamese Prime Minister Kiet, Philippine President Ramos, and Singapore Prime Minister Goh Chok Tong on the morning of 2 September. In the telephone talks the prime minister, who recently returned from a Southeast Asian tour, expressed his gratitude for their hospitality during his visit to their countries. At the same time, Murayama confirmed that he will closely cooperate with them in creating peace and stabilizing the Asia-Pacific region and the international community. Murayama also plans to call Malaysian Prime Minister Mahathir this evening.

In the telephone talk with Vietnamese Prime Minister Kiet, Prime Minister Murayama stressed: "I would like to establish wide-ranging, close cooperative relations in such areas as politics, the economy, and culture while continuing to support Doi Moi (reform) line (economic reform policy)."

In the Murayama-Ramos call, Philippine President Ramos asked Murayama to resume aid to a Batangas harbor development plan, which has been opposed by local residents. In response, Prime Minister Murayama indicated his intention to resume aid with certain conditions attached, saying: "I want to grasp the situation. I hope that careful study will be made, and that aid will be resumed as a result."

In the phone talk with Murayama, Singapore Prime Minister Goh Chok Tong expressed hope "to hold bilateral talks when an unofficial summit meeting of the Asia-Pacific Economic Cooperation forum scheduled for November is held." In response, Murayama said "I want to hold the talks if possible."

Kono on Conditions for Reactor Aid to DPRK

OW0709000594 Tokyo KYODO in English 2306 GMT 6 Sep 94

[Text] Cairo, Sept. 6 KYODO—Japan will consider a potential request from the United States for aid to North Korea if Pyongyang clears up suspicions surrounding its nuclear program, Foreign Minister Yohei Kono said Tuesday.

Kono told Japanese reporters that it is important for North Korea to follow through an agreement on shifting to light-water reactors from graphite-moderated reactors, which reportedly produce a higher amount of plutonium.

In an agreement reached last month, the United States pledged to help North Korea obtain light-water reactors to replace its graphite-moderated reactors if Pyongyang freezes its nuclear program.

The U.S. has indicated that it may ask Japan and South Korea to help finance the project.

Earlier in the day, Kono met with U.S. Vice President Al Gore, who sought Japanese cooperation in resolving the North Korean nuclear issue, Japanese officials said.

Both Kono and Gore are in Cairo to attend an international population conference.

The top U.S. negotiator with North Korea, Robert Gallucci, will visit Japan Sept. 12-14, ahead of high-level talks between Washington and Pyongyang set to reopen in Geneva on Sept. 23.

Kono, commenting on Japan's campaign to become a permanent member of the UN Security Council, said he is aware of growing expectations for Tokyo to attain the membership but Japan can make contributions only in nonmilitary fields.

He added that he will closely gauge the sentiments of other Asian countries and the Japanese people about the issue ahead of the UN General Assembly in New York in late September.

Kono said he will return to Tokyo on Sunday to meet UN Secretary general Butrus Butrus-Ghali after attending trade talks with the U.S., Canada and the European Union in Los Angeles.

Kono later met with Egyptian Foreign Minister 'Amr Mahmud Musa, who said Egypt will support Japan's bid for permanent membership on the UN Security Council if the council's expanded membership reflects the views of developing countries.

Musa specifically told Kono that the United Nations should give two permanent seats each to Latin America, Asia and Africa, according to Japanese officials. The officials said Kono stressed the need for UN reform.

Egyptian officials have maintained that Egypt and other regional powers should be given permanent seats on the UN Security Council if such permanent membership is granted to Japan and Germany.

In Tokyo, Chief Cabinet Secretary Kozo Igarashi said at a news conference that Kono will return home on Sunday, instead of Monday, to confer with UN Secretary General Butrus Butrus-Ghali.

Yaohan To Open Family Fun Centers in PRC

OW0709133694 Tokyo KYODO in English 1202 GMT 7 Sep 94

[Text] Hong Kong, Sept. 7 KYODO—Whimsy, a subsidiary of Japanese distribution and retail giant, Yaohan International Holdings Ltd., announced Wednesday [7 September] a joint venture deal to set up family entertainment centers in China and Guam.

With a 75 percent interest in Whimsy, which is Hong Kong's largest leisure group, Yaohan plans to consolidate its position as one of the leading operators of family amusement centers in the region.

Whimsy's franchise agreement and joint venture in Guam and Fujian Province in southern China were sealed with Luen Thai International Group, a Hong Kong based family-owned company founded in 1966 and represented by Chairman Tan Siu-lin.

"The Whimsy franchise in Guam, which opened three months ago, performed extremely well, which was far above our expectations. We therefore decided to cooperate with Whimsy to expand into China," Tan told reporters at the joint venture-signing ceremony Wednesday.

Shares in the Fujian Joint Venture, Cheer Idyll Holdings, are split 75 and 25 percent between Luen Thai International Group and Yaohan Whimsy Co., respectively.

"When Whimsy opens in Fuzhou and Xiamen, Xiamen will be China's largest indoor entertainment center," Tan said.

Daiwa Securities To Enter Chinese Stock Market

OW0509064694 Tokyo KYODO in English 0554 GMT 5 Sep 94

[Text] Tokyo, Sept. 5 KYODO—Daiwa Securities Co. said Monday [5 September] that it will establish an investment trust to manage funds on the Shanghai and Shenzhen Stock Exchanges in a joint venture with China Securities Co. of Beijing.

Daiwa officials said that the joint venture will be the first such tie-up between a Chinese and foreign company.

The deal will give Daiwa a front-row seat as the Chinese Government lifts the ban on foreign trading in A-shares, which are traded on the Shanghai and Shenzhen exchanges.

The Daiwa officials said that China will shortly announce a new securities industry policy. Until now, foreigners have been restricted to trading in less desirable B-shares, available only to foreigners and paid for with foreign currency.

The officials described the relationship with China Securities, which has yet to be approved by the Chinese Government, as "wide-ranging." The plan to establish an investment trust is the core of the agreement.

Chinese companies will benefit from free access to foreign equity funding, the officials said.

They added that the partners are thinking about setting up an agency firm for foreign companies looking for investment opportunities in China. Details are still being worked out, they said.

Daiwa is one of Japan's "big four" securities houses. China Securities, established in 1992, is one of the six largest brokerages in China, with 17 domestic branch offices.

Taiwan President's Visit 'Difficult' To Arrange

OW0609082694 Tokyo KYODO in English 0816 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Prime Minister Tomiichi Murayama said Tuesday [6 September] it will be "difficult" to arrange for Taiwan President Li Teng-hui's attendance at the Hiroshima Asian games.

Li's presence could be expected to draw harsh protests from Beijing, which opposes anything which might give the appearance of "two Chinas."

"We will have to take a close look into the situation, but it seems to be difficult," Murayama told reporters. "We also have to take into account our previous agreements with China," he added, alluding to the Sino-Japanese joint declaration on the establishment of diplomatic relations.

Tokyo switched diplomatic relations from Taipei to Beijing in 1972, pledging to honor Beijing's "one-China" policy under which Taiwan is viewed by Beijing as a breakaway province.

Fearful of upsetting China, Japan has limited contacts with Taiwan to economic and private sector activities.

The Olympic Council of Asia (OCA) has extended an invitation to Li for the Asiad opening ceremonies, which sparked Chinese threats to boycott the Oct. 2-16 games.

Earlier Tuesday in Paris, OCA President Ahmad al-Fahd [name as received] suggested a solution to the diplomatic row may be forthcoming in the next "three or four days."

Editorial Cautious on Investments in Vietnam

942A0648A Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Aug 94 p 2

[Editorial: "Let's Restrain the Flood of Companies to Vietnam"]

[Text] Japan's Prime Minister Murayama visited Vietnam for the first time since the unification of the country in 1976. It marked the opening of a new Japan-Vietnam age. However, the series of talks with Prime Minister Vo Van Kiet were highlighted exclusively by Vietnam's pursuit of tangible benefits such as an increase in official development assistance (ODA) and expansion of private-sector investments. Vietnam did agree to Japan's proposal of a regularly scheduled foreign vice minister-level conference proposed by Japan and aimed at boosting political dialogue, but hardly any time in the recent talks was devoted to political topics.

Vietnam's pursuit of increased ODA and expansion of private-sector investments is not something that was started recently. Vietnam has appealed for such assistance whenever the opportunity presented itself, ever since Communist Party of Vietnam Secretary General Do Muoi and Prime Minister Vo Van Kiet launched a policy in 1991 calling for renovation.

However, Japan was late in responding to such requests in view of the continued economic sanctions imposed upon Vietnam by the United States. ODA was finally implemented in earnest last year. The scale is very small compared to annual aid of $1 billion provided by China and Indonesia.

The absence of government prodding also makes it difficult for the private sector to make any moves. Vietnam in the past year benefited from over $2.6 billion in foreign investments, but Japan invested only about $76 million and ranked eighth among foreign investors. Now that the prime minister's visit has established a framework for economic cooperation, there is the potential that a Vietnam boom will occur among Japanese industries. However, we would like to take this opportunity to define certain conditions.

First, the respective firms should not make a torrent of concentrated investments as part of a boom. Such a phenomenon was witnessed in the past in connection with investments in China. The Vietnamese investment environment is more difficult than that of China. The respective firms should conduct preliminary surveys in arriving at independent decisions.

Administration of ODA also requires ingenuity. In the past, Japanese aid was heavily weighted toward the kind that required compensation and was subject to criticism of being excessively commercialized and designed to promote exports of Japanese corporations. The Japanese Government should give adequate consideration to the fact that Vietnam made a strong bid for increased grant aid during the recent talks.

And, a matter of utmost importance is that we must not allow the Indochinese peninsula to once again become a center of conflict. The region is still plagued by more than a few sources of potentially explosive issues such as the Spratly Islands dispute. Of special note is that measures should be taken to avoid placing Japan in a position where it becomes involved in any confrontations relative to exploration for petroleum in the Spratly Islands.

We cannot limit our aid to Vietnam to matters of tangible benefits. We will unavoidably become involved in regional military security. Japan should make a special effort to speak out at the newly proposed Japan-Vietnam vice foreign ministers conferences and in regional forums such as the Association of Southeast Asian Nations (ASEAN).

On the other hand, we would ask that Vietnam make improvements in its investment environment. Improvements in electrical power distribution and road networks will take time, but the willpower to do so can bring early resolution to problems associated with complex administrative procedures and the lack of statistical data. We also hear frequent criticism that consumption is expanding excessively despite the absence of an adequate production base. We would like to see Vietnam strive for the construction of a legitimate economy.

Major Corporations on Joint Russian Projects

OW0209133794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Aug 94 Morning Edition p 13

[Text] Local autonomous governments in the Russian Far East have asked Japanese firms to take part in projects such as infrastructure improvement and resources development. So far 11 projects have been offered and the total project cost totals more than $23 billion. The local autonomous governments are asking that Japanese firms such as major trading houses join their respective projects through the Japan-Russia Economic Committee [JREC] (chairman: Jiro Kawage), which has a secretariat set up within the Federation of Economic Organizations of Japan.

Although local governments in the Russian Far East have repeatedly called for Japanese cooperation in the past, this time the Japanese plan to take prompt action to arrange negotiations because it sees the Russians this time as eager to see the projects materialized.

The Japanese firms plan to work on the government or related institutions to support promising projects by handling applications for loans from the Export-Import Bank of Japan and trade insurance.

The projects are being offered by Sakhalin Oblast, the Maritime Province, and three local governments in Khabarovsk Province. Sakhalin Oblast has asked Japan to cooperate in five priority projects, including strip coal mine construction, power distribution from a steam power plant to local areas and to Japan, and the construction of a cross-channel railway line. Feeling on the Japanese side is that among these projects, the coalfield development project seems highly feasible if a stable power supply is ensured.

The Maritime Province has proposed five projects, including coal mine development, harbor improvements, the promotion of agriculture and food processing businesses, and the development of a nonferrous metal mine. As such projects as harbor improvement are indispensable to the expansion of trade and investment between Japan and Russia, Japanese firms are expected to study their feasibility. Meanwhile, Khabarovsk Province has offered five projects, including harbor improvement and railway construction.

The JREC plans to choose trading houses, construction and mining companies, and other firms that can handle the proposed projects, and discuss with them their feasibility. However, there is a diplomatic barrier to participation in the projects, the fact the Japanese Government refuses to separate political and economic matters. In addition, there is also anxiety about whether the Russians can settle trade accounts and whether loans and funds invested can be collected. For that reason, the Japanese plan to call on the Russian side to improve the investment environment to help the expansion of trade and investment, while at the same time they will careful study the projects.

In the medium to long term Japanese businessmen do attach importance to business in the Russian Far East. But they find it difficult to see anything happening quickly enough to help them shift production bases soon, unlike the situation in China.

However, they see the Russian Far East will become a major importer of materials and equipment as Russian economy is restored and as a source of raw materials. So Japanese industry has a strong interest in investing in the Russian Far East, and based on this view it plans to respond to the Russians after studying some of the proposed projects.

Minister Reiterates Criticism of Bureaucrats

OW0609053594 Tokyo KYODO in English 0503 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Finance Minister Masayoshi Takemura reiterated his stance Tuesday [6 September] that ministry bureaucrats should leave decisions on tax reform in the hands of politicians.

In a move to check possible pressure from the ministry mandarins, Takemura ruled out news reports that his ministry's officials have rejected to offer data on tax reforms when requested to do so by a project team of the ruling coalition parties.

At the same time, Takemura said Finance Ministry officials are in no position to turn down such a request.

He also repeated his intention to await the findings of the project team.

"I've instructed the ministry to prepare data on various cases...and it should provide this" to the project team, Takemura told reporters after a morning cabinet meeting.

The ministry mandarins reportedly had earlier rejected requests by the project team to compile estimates of income and resident tax cuts based on various scenarios, such as a combination of permanent system reform and a uniform tax rate cut.

The current 5.5 trillion yen tax cuts, now limited to the present fiscal year, are being implemented on the basis of a uniform tax cut of 20 percent.

With deliberations now in their final stage among the project team to decide later this month on the nature of the proposed tax reform, a majority Monday supported inclusion of the tax cuts and a consumption tax hike in a single package of tax bills, as a measure to limit the scale of a compensatory consumption tax hike.

Takemura also said that the ministry should offer various scenarios and cost estimates as a framework for discussions by politicians, rejecting a reported demand by the ministry for the ruling parties to first decide on the scale of continued tax cuts.

Meanwhile, he declined again to comment on details of the proposed tax reform, merely saying that the government "is committed to realize it by the end of the year."

As the head of New Party Sakigake, one of the three coalition parties, he acknowledged, however, that it is his party's policy to push for the two-pronged approach in conducting the tax cuts.

Takemura's quiet stance as the Finance Minister is in sharp contrast to that of his predecessor, Hirohisa Fujii of the former coalition government.

Fujii had insisted, in line with the views of ministry mandarins, to continue the income and resident tax cuts at the same scale of 5.5 trillion yen, and to include an offsetting consumption tax hike of at least 7 percent, from the current 3 percent, in a single package of reform bills.

Ministry Cautions TV Asahi on Election Reporting

OW0209041494 Tokyo KYODO in English 0334 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—The Ministry of Posts and Telecommunications issued a warning Friday [2 September] to Asahi National Broadcasting Co. (TV Asahi) over alleged biased coverage of the July 1993 general election for the House of Representatives, ministry officials said.

The ministy, however, found no violation of the law after examining the case and a report submitted by TV Asahi, they said.

According to a transcript presented to the Diet of remarks by then chief news director of tv Asahi, Sadayoshi Tsubaki, at a meeting of the National Association of Commercial Broadcasters in September 1993, Tsubaki said he told his staff that "we should by all means block the continuation of the Liberal Democratic Party (LDP) rule" and help set up a non-LDP coalition government."

Tsubaki told his audience at the association gathering that it was not an order.

The July election resulted in a victory by the non-LDP coalition, creating a government led by Morihiro Hosokawa.

In its report, tv Asahi said no biased reporting was found in the broadcast tapes, although it admitted Tsubaki's comments were careless.

Coalition Seeks Reform of 'Special Corporations'

OW0609134494 Tokyo KYODO in English 1309 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—A study group of the ruling coalition parties agreed in principle Tuesday [6 September] to seek reforms of government-funded special corporations within 1994, panel members said.

They said the decision, based on an outline by team leader Kiyoshi Mizuno of the Liberal Democratic Party (LDP), will be endorsed at a joint session of three project teams studying tax and administrative reforms and public welfare problems.

It will then be submitted to the government of Prime Minister Tomiichi Murayama.

While seeking a comprehensive program for reorganization of the government-subsidized corporation, the study panel will also ask the government to swiftly realize economic deregulation, and reexamine existing public works spending systems and various subsidies offered by the government, they said.

The panel will also seek promotion of transfer of power to local autonomies.

The group has continued discussions on reform plans since mid-July.

It said special corporations that have accomplished their goals should be dismantled or downgraded, while some of those which are profitable should be turned into private entities.

The panel also will seek disclosures of information concerning their accounting and operational results.

JETRO Poll: 70% of Manufacturers Import

OW0709103394 Tokyo KYODO in English 0959 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Seventy percent of Japan's manufacturers responding to a poll make imports of parts and semifinished goods, while 60 percent import finished goods, according to a survey released by a Japanese trade organization Wednesday [7 September].

The Japan External Trade Organization (JETRO) said in the report that 80 percent of manufacturers importing parts and semifinished goods and 62 percent of those importing finished goods are doing so due to the lower costs brought about by the stronger yen.

The improvement in quality of foreign-made goods was another factor behind their increased imports, as cited by 24 percent of manufacturers importing parts and semifinished goods and 17 percent of those importing finished goods.

Seventy-six percent of the manufacturers said they have plans to further increase imports in the future, with all of automakers and 90 percent of makers in the nonferrous metal, electrical and electric machinery industries saying they plan to import parts and semifinished goods.

Many companies are also considering imports from their own factories abroad, with 75 percent of automakers and 89 percent of electronic parts makers saying they are thinking of such plans.

The newly industrializing economies (NIEs) such as South Korea, Hong Kong, Taiwan and Singapore are among the top countries from which the Japanese firms import.

The report was based on a survey conducted in early May on 936 manufacturers with more than 100 workers and capital of at least 10 million yen.

Reports on Issues Related to Auto Industry

Imported Car Sales Up 70%

OW0609083494 Tokyo KYODO in English 0755 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Sales of imported vehicles in Japan soared 70.3 percent in August over a year earlier to 23,391, boosting their market share to a record high 7.9 percent, an industry association said Tuesday [6 September].

The Japan Automobile Importers Association said passenger car sales accounted for 21,297, up 62.4 percent, raising their market share to a record 10.7 percent and topping the previous high of 8.8 percent set in June.

The association said August was the 10th consecutive month in which imported vehicle sales surpassed year-before levels.

The August sales included 6,999 cars and commercial vehicles produced by Japanese automakers overseas, up 193.1 percent, the association said.

Sales of passenger cars with an engine capacity of up to 2 liters gained 30.3 percent while those with larger engine capacity climbed 79.8 percent, it said.

Spurred by brisk demand for sport utility vehicles produced by Japanese automakers overseas, sales of commercial vehicles jumped 236.1 percent over a year earlier to 2,094, the association said.

Cars and commercial vehicles produced overseas by Honda Motor Co. accounted for 4,245, up 128.1 percent, the association said.

Vehicles produced by Nissan Motor Co. in Spain and Mexico amounted to 2,088, it said.

The association said the August figure brought to 191,824 the total number of imported vehicles sold in the first eight months of this year, up 44.9 percent from a year earlier.

Passenger cars accounted for 173,687, up 34.8 percent, the association said.

The association said imported vehicle sales are expected to total around 250,000 for all of 1994, against 200,000 estimated at the beginning of the year.

Mazda Ties to Ford, Kia Motors

942A0658A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 25 Aug 94 p 9

[By Toru Miyazawa]

[Text] "As long as they satisfy quality standards, we will purchase the cheapest parts on a worldwide basis," is the declaration made by Mazda's Procurement Director Atsushi Yokota this spring at an orientation held for parts vendors to explain the company's procurement policies. When he made that declaration he had in mind as overseas parts procurement sources affiliates Ford Motor and Kia Motor of South Korea. The strategy calls for assistance from the two companies in locating parts makers who are the most competitive in the United States, South Korea, and the rest of the world.

Already, the new "Familia" is equipped with a U.S.-made rear-view mirror used on Ford products. The source of the mirror is U.S. maker Donnelly Corporation of Michigan with monthly procurement set at about 30,000 units. Japanese-made rear-view mirrors have support brackets that are attached to the ceiling, but Ford versions have supports which are attached to the windshield with an adhesive.

The support bracket does not interfere with the field of vision and installation costs are low. Further, Mazda can benefit from the strong yen and joint purchases which enable the flow through of production savings translating to savings of about 30 percent over past costs. Mazda is examining the advisability of adopting the U.S. mirror for future Mazda cars which may lead to major increases in imports.

According to Mazda estimates, a foreign exchange rate of 100 yen to the dollar provides for an average cost savings of 16 percent for overseas parts such as from the United States when compared to Japanese parts. Director Yokota provides the evaluation that "Most of the parts from overseas sources meet required quality standards."

In the past, Mazda has tutored Ford, Kia and their parts suppliers on the need for high levels of production technology and attendant purchasing procedures. It can be said that such programs are now benefiting efforts to make overseas purchases in the face of a strong yen. Mazda formed a technical alliance with Kia in 1967. At that time Kia relied heavily on Mazda, but Kia has now converted 95 percent of its parts production to domestic sources. Its products are beginning to manifest major competitiveness in world markets.

Ford has accumulated development, design, and production technology through its joint venture with Mazda known as U.S. Auto Alliance International of Michigan. It began selling low-priced, high-performance cars from the beginning of the 1990s. Ford has recovered to the point where it now poses a threat to Japanese vehicles in the U.S. as well as the Japanese markets.

On the other hand, Mazda and its affiliated parts makers are facing slow sales. Mazda's plan to expand use of overseas parts has implanted a strong feeling of crisis among parts makers in Hiroshima prefecture which sell most of their products to Mazda. The president of one affiliated parts manufacturer makes a clear display of his concern, in saying, "When we were shown cheap overseas parts, we were haunted by the feeling that we can survive only by making a desperate, but courageous effort to lower prices."

In its procurement policy orientation, Mazda asked domestic parts makers to lower prices by 20 percent in two years. This is a larger cut than proposed by Toyota Motors which is calling for a 15-percent cut in three years. You might say that Mazda's stance reflects its uneasiness with the fact that it has been unable to produce a winner and is suffering from lower profits.

On the other hand, Mazda has begun to furnish new engine cast parts to Kia Motors. The reason has nothing to do with the fact that Kia has always asked Mazda for technical assistance. This is a case where strong sales at Kia has precluded it from meeting all of its needs internally and where it has come to Mazda who currently possesses excess production capacity because of slow sales. In other words, it is a case where the teacher-student relationship has been reversed at least in the area of parts.

Director Yokota states, "We are considering the attainment of benefits of volume production through the interchangeability of parts between Kia, Ford, and Mazda as well as the joint production of parts in low-production-cost areas such as Southeast Asia." It appears that expectations are growing relative to the establishment of a three-company procurement system, but there is a delicate change taking place in the position occupied by each of the three firms.

Although Mazda seems to have recovered somewhat with a long overdue winner in the form of Familia, if it should neglect the work that must be accomplished in the way of restructuring, there is the risk that it will have to satisfy itself as a subcontractor of Ford and Kia.

Toyota Sells GM Cars

OW0709064394 Tokyo KYODO in English 0631 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Toyota Motor Corp. announced Wednesday [7 September] it will sell cars made by General Motors Corp. (GM) at its 1,072 domestic outlets under 51 dealer channels starting early in 1996.

It said the move is in line with an agreement between the two companies that was signed in November 1993.

The company said GM's right-hand-drive Chevrolet Cavalier cars will be sold by Toyota under the Toyota brand name through its sales network, which aims to sell 20,000 vehicles annually.

Currently, 500,000 Toyota cars a year are sold by 35,000 sales persons under the Toyota dealership network.

"Toyota is confident that this kind of cooperation between private companies will contribute to the expansion of imports the public is calling for, and will thus contribute to the promotion of a more international automobile market in Japan," Toyota President Tatsuro Toyoda said in a statement.

But the company at the same time noted the decision to sell foreign or non-Toyota cars should be left to independent dealers to judge for themselves.

It said the success of the scheme will partly depend on GM's production of high-quality vehicles tailored to the Japanese market, although Toyota will cooperate with maximum efforts.

The news was released as Japan and the United States continue their efforts to narrow the gap in the trade "framework" talks, in which auto and auto parts are one of the three priority areas.

But unlike the two other areas—insurance and Japan's procurement of medical and telecommunications equipment—the auto talks, Chief Cabinet Secretary Kozo Igarashi said on Monday, are unlikely to reach a solution by the Sept. 30 deadline set by Washington to impose sanctions if no progress is achieved.

Igarashi said he expects the two countries to carry on their discussions with respect to auto and auto parts.

Toyota Head Visits PRC

OW0509143694 Tokyo KYODO in English 1413 GMT 5 Sep 94

[Text] Nagoya, Sept. 5 KYODO—The president of Japan's top automaker Toyota Motor Corp. indicated Monday [5 September] his company is negotiating with China's Tianjin Automobile Industrial Corp. on setting up a joint venture.

"We are thinking of Tianjin Automobile Industrial Corp. as a possible partner. The Chinese local authorities also seem to have high hopes toward such a plan," said Tatsuro Toyoda, at a news conference in Nagoya on his return from a five-day trip to China.

The Chinese company currently produces cars with technical support from Daihatsu Motor Co., an automaker belonging to the Toyota Motor group.

"We need to establish solid groundwork as swiftly as possible," said Toyoda, referring to 1996, when more foreign automakers will be allowed entry into passenger car production in China.

Toyoda said his company will also consider joining forces with foreign concerns. "We might cooperate with General Motors Corp. (of the United States) and Volkswagen AG (of Germany) with which we have business agreements," Toyoda said.

He also said the Toyota Motor group will help nurture the Chinese auto parts industry, as requested by Chinese authorities.

Daihatsu To Use Chinese Technology

942A0652A Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Aug 94 p 10

[Text] Daihatsu Motor Company will provide China's Tianjin City Motor Industries Company with technology to build 1,300-cc engine-equipped small passenger cars and the latter will begin production of the vehicles in 1995. Tianjin City Motor currently produces vehicles in the 1,000-cc category, but it has reached the decision that demand for larger engines will grow in the future because of the construction of freeway networks. The company intends to cooperate with the Chinese Government's new automotive policy calling for rapid growth in automotive makers with international competitive capabilities and to expand its share of the fast-growing Chinese automotive market by diversifying its vehicle offerings.

Daihatsu provided Tianjin City Motor Industries Company with technology and began production of the small "Charade" passenger car in 1986. Current production capacity of Tianjin City Motor Industries is 100,000 units a year, but the goal is to expand annual production to 150,000 units from 1995. However, fiscal year 1993 production was limited to 50,000 units and it was assumed that a new model vehicle would be indispensable in reaching an increase in unit production.

The increased production will comprise Charades equipped with 1,300-cc engines. Date for beginning commencing operation of the new production lines is subject to discussion in that the investment is going to be made by Tianjin City Motor Industries, but Daihatsu is hoping that it will be some time in 1995. Principal components such as engines and transmissions will be imported from Japan, but local parts utilization will be increased from the current level of just over 50 percent. Currently, measures are being taken to improve the current 1,000-cc version of the Charade to increase product appeal and marketability of the vehicles.

Daihatsu has taken a leading role among Japanese automotive makers in entering the Chinese market. However, in July, China announced a plan titled "Automotive Industry Policy" to reorganize its automotive industry into four major corporate groups by 2010 to boost the industry's global competitiveness.

Further, Toyota Motor has entered separate negotiations with Tianjin City Motor Industries Company to enter into a joint-production venture, leading to intensified competition in the Chinese market. This is why Daihatsu decided it was necessary to boost its production and sales efforts with the Charade in a cooperative effort with Tianjin City Motor Industries. Daihatsu intends to survive under the new Chinese policy by building up to a production level of 150,000 units a year.

Nissan's Joint Venture in China

942A0653A Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Aug 94 p 9

[Text] With an eye for entering automotive production in China, Nissan Motor has agreed to collaborate with leading automotive maker Nanjing Automobile Manufacturing Depot of Nanjing city. Nanjing Automobile is China's largest maker of small commercial vehicles and it wants to begin manufacturing passenger cars. Nissan hopes to first offer technical assistance in the production of commercial vehicles and then expand into the joint production of passenger cars. Toyota Motor and Honda Motor are also negotiating joint ventures in the production of passenger cars with major local corporations, leading to an influx of Japanese carmakers in Chinese markets.

Nanjing Automobile will initially be furnished production technology for the cab units of small commercial vehicles. The unit to be offered will be the cab which is used on the "CabStar" export model (in Japan, called the Atlas; three-ton load capacity); Nanjing Automobile plans to use the cab unit on its completely remodeled principal truck line starting in 1996. Annual production is scheduled to reach 30,000 units a year.

Nissan is already operating with Chinese automaker Dongfeng Automobile Company of Hubei Province a joint venture called "Zhengzhou-Nissan Automobile," which produces 30,000 small trucks annually. It also has supplied China's Diyi Automotive Group Company of Jilin Province with production technology for the commercial vehicle, "Caravan," with production initiated last year at the rate of 3,000 units a year.

Nissan has studied the potential for joint ventures to produce passenger cars with Dongfeng and Diyi Automobiles, but the firms are involved in joint ventures with France's Citroen and Germany's Volkswagen, respectively. Dongfeng had already entered into a study for a potential tie-up with Honda, and Nissan had been looking for a new partner.

Nanjing Automobile is a commercial vehicle specialist and is one of China's "eight largest automotive groups," but it has a strong desire to expand into passenger car production. Thus, Nissan officials say, "Our goal is to enter into passenger car production in China by molding our relationships with Nanjing Automobile."

Japanese automakers were late getting establishing in the Chinese passenger car market. However, the Chinese Government has launched a new policy that approves of new foreign capital entrants under certain provisions concerning domestic parts production beginning in 1996, and Toyota was the first to explore joint production of passenger cars with Tianjin Automobile Industries Company. Mitsubishi Motor is planning to build an engine plant in China under a three-nation joint venture that includes China and Malaysia, accelerating the pace of projects in China among Japanese automakers.

Suzuki To Supply European Cars

OW0109235294 Tokyo KYODO in English 2305 GMT 1 Sep 94

[Text] Tokyo, Sept. 2 KYODO—Suzuki Motor Corp. will supply its small-sized automobiles made in Hungary to Fuji Heavy Industries Ltd. for sales within Europe, a major business daily reported Friday [2 September].

The NIHON KEIZAI SHIMBUN said Suzuki will yearly supply Fuji with 12,000 of its 1300 cc vehicles under an original equipment manufacturing agreement, and the cars will be sold under the Subaru brand starting in the summer of 1995.

The daily said the cooperation could also lead to joint development of cars by the two companies.

Vehicles supplied by Suzuki will replace Fuji's 1000-1200 cc cars currently being exported from Japan to Europe, the paper said.

Europeans Oppose Japanese Rules

OW0209231694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Sep 94 Morning Edition p 13

[Text] On 1 September, European automakers issued a statement saying they plan to urge the Japanese Government to abolish measures under which owners of light vehicles made in Japan enjoy, among other privileges, preferential tax treatment and exemption from securing a parking space for such vehicles. Regarding light vehicles, the Japan Automobile Manufacturers Association (with Tatsuro Toyoda as chairman) has submitted a proposal to the Transport Ministry to increase the maximum total length of the vehicles by 10 centimeters for improved safety. European automakers point out that "allowing the size of light vehicles to be increased while maintaining the preferential measures would result in discrimination against European small car makers." It appears that a domestic dispute that developed between makers of ordinary cars, which require registration, and makers of light vehicles, which do not require registration, is growing into an international issue.

The statement was issued simultaneously in Tokyo and Brussels by a subcommittee consisting of automakers under the European Business Council (EBC), an organization of European businesses operating in Japan. The statement was supported by both the Association of European Car Manufacturers (ACEA) and the Japan Automobile Importers' Association (JAIA).

In the statement, Mercedes-Benz Japan President Reiner Jahn [name as published], who heads the EBC's automakers subcommittee, expressed his opinion, saying: "The draft proposal concerning the measurements on light vehicles is currently being revised. It is a very good opportunity now to remove one of the few remaining barriers in automobile trade." By holding discussions on the issue of light vehicle measurements with the Ministry of Transport and other authorities concerned, the subcommittee says: "We hope our opinion will be accepted." Thus, it is apparent that the subcommittee hopes to keep light vehicle measurements unchanged.

Nissan To Expand Samsung Cooperation

942A0654A Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Aug 94 p 1

[Text] Nissan Motor and Nissan Diesel Motor have agreed to provide Samsung Heavy Industries of Seoul, South Korea, with production technology for small trucks. The agreement will be signed as early as the end of August. Samsung Heavy Industries has been receiving technical assistance from Nissan Diesel in the volume production of large trucks since this spring to mark its debut in the automotive industry. The addition of small trucks marks Samsung Heavy Industries' entry in the collective automotive field and the potential is strong that it will also enter the passenger car sector.

The Nissan Group will furnish Samsung Heavy Industries with technology to produce the small one-ton "Atlas" truck. Samsung Heavy Industries is expected to begin production of small trucks at the rate of 10,000 units a year as early as 1995 at its No. 2 plant in Changwon, where it is now producing large trucks.

The "Atlas" small truck was developed in Japan by Nissan and is produced by Nissan Diesel under contract. Nissan Diesel will represent the Nissan Group in signing the contract with Samsung Heavy Industries. Nissan Motor will receive a portion of the license fees collected from Samsung Heavy Industries.

For the short term, Nissan Diesel will export principal components such as engines and cabs from Japan, and engineers will be assigned to the Changwon plant to assist in the start-up of production lines. Samsung will commence engine assembly three years from now and is expected to increase local parts production.

Samsung Heavy Industries formed a joint technical venture with Nissan Diesel in 1992 and began production of large trucks in May 1994 at the rate of 200 a month. The company has taken over 10 percent of the South Korea's big truck market in its first two months of operation as a truck maker and has had a major effect on South Korea's commercial vehicle market.

Nissan To Produce More RV's in Spain

942A0657A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 29 Aug 94 p 13

[Text] Nissan Motor will increase production of its "Mistral" recreational vehicle (RV) destined for export to Japan to 2,000 a month beginning in October at its plant in Spain. Sales were targeted at 1,000 a month but will be doubled. The relatively low price impacted beneficially and orders for the vehicle since it was initially placed on the market in the beginning of June have grown to about 7,000 units. A decision was made to increase exports to Japan for the near term because Nissan anticipated a continuation in the favorable sales trend. The idea is to use RVs to stimulate the otherwise slow recovery in car sales in the Japanese domestic market.

Nissan Motor Iberica (NMISA, Barcelona) will undertake the increased production. The company was designed to handle production of 53,000 units a year, including the RV "Terrano-2" sold in Europe, the "Mistral" sold in Japan, and the "Maverick" made for

European Ford. Because of favorable sales trends of the Mistral, increased production of the vehicles will be partially handled by converting Terrano-2 production to Mistral production.

Pricing of the Mistral at a level 400,000 to 600,000 yen lower than RV's made in Japan had a favorable impact on sales which reached 3,500 units in June, 2,400 units in July and 1,000 units through 25 August. However, European parts makers were unable to increase production and summer vacation season at NMISA for the month of August prevented it from producing cars needed to fill pending orders.

Programmed production of the Mistral for 1994 has been revised from the initial 10,000 units to 14,000 units.

The Mistral is sold in two versions with prices in Tokyo as indicated: the "Type-S" is a stripped down version selling at 2.61 million yen, while the "Type-X" comes with a standard electrically powered sun roof for 2.79 million yen, with 99 percent of the orders covering the Type-X.

Marubeni-Swedish-Nissan Ties Examined

942A0656A Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Aug 94 p 8

[Text] Marubeni will purchase the general import agency rights in Sweden for Nissan cars from Sweden's automobile importing firm known as Arcona AB (Stockholm). Marubeni established a fully owned subsidiary in Stockholm on the 26th to handle the import sales of Nissan cars after taking over the operating assets from the Arcona Group. Marubeni handles the import sales of Nissan cars in Norway and intends to enhance operating efficiencies by expanding its sales network in the Northern European market.

The new subsidiary to handle import sales functions in Sweden will be known as Nissan Sweden capitalized at about 800 million yen. The new subsidiary will purchase Arcona's general importer rights and operating assets at about 2 billion yen, and commence the sales of Nissan passenger and commercial vehicles to Swedish domestic dealers beginning in October.

The new subsidiary is scheduled to primarily handle the "March" and "Primera" models produced in Nissan's British plants. In 1997, the subsidiary has a goal of importing and selling 10,000 vehicles valued at about 17 billion yen.

Arcona is the automotive division of the Arcona Group which deals in real estate development and commands annual sales of 45 billion yen. The sale of the automotive division to Marubeni represents one link in a restructuring program required because of difficulties encountered in its real estate development programs.

The automotive market in the four North European nations of Sweden, Norway, Finland, and Denmark total about 60,000 to 80,000 units a year and Nissan controls about a 5-percent share. Marubeni plans on increasing its presence in the North European market by first entering the Norwegian market and then expanding into the Swedish market.

Toyota Increases Financial Assets

942A0655A Tokyo NIKKEI KINYU SHIMBUN in Japanese 26 Aug 94 p 1

[Text] Nagoya—Toyota Motor's financial assets as of the end of June 1994 stood at 2.1428 trillion yen, reflecting an increase for the first time in four years. Assets recovered to the 2 trillion yen level for the first time in three years. This achievement was realized because it worked down its financial assets during the bubble economy in connection with its capital investments, but then limited such investments to the size of its depreciation expenses in response to worsening operating results. Financial revenue has fallen because of declining interest rates, but is still running at a high level. While other automakers are suffering from deficits in the area of financial revenue, Toyota has displayed noticeable resistance to recessionary trends in this respect.

Toyota's financial assets had declined since peaking at 2.4372 trillion yen as of the June 1990 fiscal year end. The reason is that it had made capital investments which far exceeded its depreciation expenses. Of special note is that in the June 1991 fiscal year, Toyota had made capital investments of 606.9 billion yen or two times its depreciation expenses of 311.9 billion yen, thus working down its financial assets by as much as 400 billion yen.

Since the June 1993 fiscal year, Toyota has limited its capital investments to the amount of its depreciation expenses. Redemption of bonds with warrants attached which were issued during the stock market boom caused a further drop in financial assets during that fiscal year; as of the end of the year they stood at 1.8483 trillion yen.

Toyota's financial assets are composed primarily of bonds with fixed interest income such as government bonds and interest-bearing bank debentures. In the area of financial engineering, it withdrew from fund trusts (designated funds in trust) as of the end of June 1993 and it currently holds designated funds in trust in the amount of 50 billion yen.

A decline in interest rates has caused financial revenues to decline after peaking at 219.1 billion yen in the fiscal year ending in June 1991, and came in at 119.5 billion yen in the last fiscal year. Currently, bonds with a high coupon rate of 8 percent are in the process of being redeemed and replaced with bonds with a lower coupon rate.

During this fiscal year capital investments will be limited to the value of depreciation expenses, providing for an increase in financial assets. Financial revenues are expected to show a slight decline over the prior year at the 80-billion-yen level. In the automotive industry, Nissan Motor and Mazda Motor carry large amounts of interest-bearing debt and recorded financial deficits of 28.6 billion yen and 15.8 billion yen, respectively, for the fiscal year ending in March 1994.

NEC America's U.S. Operations Reviewed

942A0662A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 26 Aug 94 p 3

[Text] The locale is Dallas, Texas. This region, which is home to production and development centers of Northern Telecom, Ericsson, and Fujitsu is also the location of telecommunications software development firms and parts makers. As "Telecommunications Center Dallas," the city is often compared with Boston for its large-scale computer manufacturers and Silicon Valley in California for its semiconductor and software firms. NEC America, which is a telecommunications equipment subsidiary of NEC, is located in Irving, Texas, adjacent to Dallas, employs about 500, and is the largest employer in the area.

The center of greatest attention relative to NEC America in Irving is its telecommunications switching system department. The reason is that this plant and NEC's Japanese plant in Isogo, Japan, are engaged in a joint effort to develop asynchronous transfer mode (ATM) switching systems which are destined to become core equipment in the "information super highway concept" being developed in the United States.

ATM switching systems represent telecommunications equipment to be used in transmitting data between numerous terminals at the rate of 100 megabits (1 megabit equals 1 million bits) per second. ATM switching systems are leading-edge systems that will be capable of transmitting comparatively huge volumes of data at speeds exceeding 100 times that of present packet switching systems. They will be indispensable in transmitting accurate video images at a high speed and demand is expected to grow at a sharp pace from users such as telephone companies and CATV operators.

Irving is the site for both software and hardware firms, but they are reportedly well equipped to handle basic design work and developmental work on applications software relative to next-generation equipment. The United States occupies an overwhelming position relative to multimedia market needs because of the variety of available telephone services and experiments associated with interactive CATV services. NEC America sources say, "In addition to the ease with which hints can be picked up on development of software, it is easy to establish contacts with advanced firms eager to adapt new ideas."

Dallas is geographically near Tulsa, Oklahoma, which is the location of headquarters for WilTel, fourth largest U.S. long-distance carrier, which has ordered 20 ATM switching systems from NEC and Houston, Texas, location for Network Station, enabling frequent contacts between technicians of supplier and user firms. WilTel is the most aggressive long-distance operator in terms of using ATM switching systems to build high-speed information networks. NEC is already solidifying its operating base in serving as exclusive supplier of ATM switching systems.

Although it does not stand out as much as the telecommunications switching system department, the cellular department, which is contributing to NEC America's revenues in a big way, is situated in a nearby building. The department controls U.S.-wide sales of cellular telephones and portable pagers. Production is handled in a Mexican subsidiary and in a Japanese domestic plant, but the operation in Irving is not limited to sales. It is characterized by the operation of design and development activities.

Cellular telephones destined for the U.S. market consisting mainly of the digital type are designed in Irving and production is allocated to the Mexican or Japanese plant, based on a decision considering foreign exchange rates and parts procurement costs. In the case of cellular telephones, labor costs represent only several percentage points of the total costs, while overall costs are controlled mainly by reducing production steps in the design stage and the simplification of parts procurement steps. Needless to say, it is most advantageous to perform design work locally so as to facilitate the incorporation of customer needs in the product development phase.

NEC America began marketing the industry's "cellular telephone with the longest battery life" last year, which provides three hours use. It doubled U.S. sales in 1993 from 300,000 to 600,000 units. The firm projects another doubling in sales to 1.2 million units this year. NEC is engaged in a heated competition with Motorola and Nokia for market leadership, but it appears that NEC will eventually "rank well above the other two competitors."

A look at NEC's overall U.S. operations indicates strong revenues in the semiconductor department, but a slowing of revenues in the telecommunications sector which is centered around transmission-equipment operations. Both Chairman Tadahiro Sekimoto and President Takashi Kaneko are alumni of the transmission-equipment operations which is expected to face continuing difficulties, while it appears that the key for NEC's telecommunications-equipment department to catch up with its semiconductor department rests with the future of telephone switching equipment and cellular telephone departments located in Irving.

Hitachi, Toshiba, MEC Team Up on Multimedia

942A0659A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 29 Aug 94 p 11

[By Tetsuya Iguchi]

[Text] Finishing touches are being applied in the formation of a team to implement multimedia projects by the three integrated electrical equipment makers Hitachi, Toshiba, and Mitsubishi Electric Corporation [MEC]. Multimedia projects provide the firms with a superior opportunity to demonstrate their "integrated capabilities" which they have always cited as a strength since they will involve visual, computer, and telecommunications capabilities. However, many barriers do exist in that each department within the individual companies originally operated as independent profit centers. The establishment of a team effort is aimed at tying the individual departments together to form a project team on a company-wide basis.

An executive at Toshiba explains, "Recently, subdivision of companies has been in the vogue, but the current issue at Toshiba is intracompany integration with a view towards the multimedia age." A new organization symbolizing this statement was launched on 1 July called "Advanced-I Project Headquarters."

Toshiba has sponsored the "I Operation" which aimed at emphasis on information and telecommunications projects, but "Advanced-I" is designed to reinforce its efforts in the three areas, including visual equipment. Advanced-I Project Headquarters will supervise multimedia-related projects throughout the company and serve as a window for forming multimedia affiliations with foreign firms as a strategic unit under the direct control of the Toshiba president.

Vice President Hideharu Egawa who has been in charge of the semiconductor-device department will serve as chief of the headquarters. The view has gained strength that the assignment of Egawa, who has had broad exposure to foreign computer and telecommunications equipment makers through affiliations and the sale of semiconductors to IBM and Motorola, will provide for increased momentum in Toshiba's strategy to affiliate with foreign firms.

The project headquarters staffing began with 50 full-time members and 20 individuals on an additional-duty status. Vice President Egawa displays confidence in saying, "We have assembled promising individuals from the respective departments who are capable of articulating clear-cut concepts." Reportedly, one of the maiden tasks of the project headquarters will be to examine the intermittent product development efforts relative to multimedia equipment of the various departments in areas such as personal digital assistants (PDA) and personal computer video systems with a view towards realigning product development efforts to provide for an integrated, consistent, and coordinated strategy in establishing a cohesive Toshiba company-wide multimedia equipment program.

Even Hitachi, which is reportedly conducting a study to establish five intracompany departments, can be viewed as leaning towards an integrated intracompany approach.

The consolidation of Hitachi's Information-Visual Media Department and Domestic Appliance Department on 21 August can be considered an action that will lead to the integrated company approach. The newly launched Domestic Appliance-Information Media Department will handle existing audiovisual equipment and a wide range of personal multimedia equipment such as high-vision, next-generation game machines, and PDA's. The pending April 1995 merger of Hitachi Domestic Appliances is also designed to accommodate the deployment and integration of multimedia projects.

Hitachi has also established the "CATV System Implementation Headquarters" as of April to supervise a company-wide program on interactive cable television (CATV) systems for which it will become indispensable to combine leading-edge computer and telecommunications technology such as video servers and asynchronous transfer mode (ATM)) switching systems.

Mitsubishi Electric in April established a "Multimedia Project Implementation Group" to centrally control the development and formation of affiliations on multimedia equipment. It has appointed Yoshito Yamaguchi, chief of its Overseas Operations Department, to head up the group as part of its effort to form a development organization which places emphasis on the U.S. market where multimedia is advancing ahead of Japan.

The team is composed initially of less than 20 full-time experts, but with significant authority. The near-term target for the team will be the development of PDA's and interactive CATV-related equipment on a short-term, concentrated basis and will involve about 100 individuals assigned to the team on an additional-duty basis from domestic research centers handling visual, computer, and telecommunications research. Mitsubishi Electric President Takashi Kitaoka has emphasized the importance of the program by saying, "We would like to assemble the best possible candidates from each department," and is currently considering recruitment of members on a voluntary basis.

Company-wide implementing organizations for multimedia programs have become a reality, but they are not without pitfalls. The flip side of "integrated capabilities" is often said to be "the provision of a comprehensive approach, but nothing particularly noteworthy when an examination is made of individual projects and technology."

In reality, although strengths and weaknesses exist among the three integrated electrical equipment makers in the area of information and telecommunications, they lack momentum when compared to NEC and Fujitsu, and they stand far behind Sony and Matsushita Electric Industrial in terms of producing consumer equipment on a low-cost, volume basis.

On the one hand, Mitsubishi Electric has joined hands with Canada's Northern Telecom in the production of ATM switching systems that are indispensable to multimedia networks, but according to Vice President Keijiro Shobu, it has launched itself on a program to "emphasize the wireless sector as telecommunications technology aimed at multimedia." It will probably have to examine its strengths and weaknesses and make a decision on which proprietary technologies should be retained.

Multimedia projects are inspiring companies with proprietary technologies to pursue intercompany affiliations at a torrid pace. The three integrated electrical equipment makers which are in the process of establishing organizations to enhance the benefits of "integrated capabilities" probably need to exercise caution against placing excessive faith in "integrated capabilities."

NTT Accused of Overcharging VAN Customers

942A0661A Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Aug 94 p 5

[Text] Shigemichi Sonoyama, Telecommunications Projects Committee chairman and Mobile Wireless Center chairman, of the Telecommunications Council, an advisory organ of the Ministry of Posts and Telecommunications [MPT], held a press conference on 25 August following a meeting of the committee at which he pointed out that rates charged by Nippon Telegraph and Telephone (NTT) to value-added network (VAN) operators for dedicated circuit use were "as much as twice" that charged for intracompany transactions and were "unfair." He said that "he will seek an explanation from NTT" during the next session of the committee to be held on 22 September. The issue may stir a controversy as an abusive practice predicated on the monopolistic stature of NTT.

The issue presented at the press conference by committee chairman Sonoyama was the use fee for dedicated circuits for telecommunications services known as "frame relay" which enable efficient data telecommunications services. He pointed out that the rental fees currently paid by VAN operators on the use of 300 to 400 kilometers of 6 megabit-per-second capacity circuits was set at a "maximum of twice" the rate for which NTT sought approval in July to apply to newly established intracompany charges.

NTT operating profit ratios for dedicated circuits in fiscal year 1993 were 16.5 percent or almost four times average profits for the telephone division. Interested firms have been dissatisfied with fees for dedicated circuits in general because they were set at levels higher than those prevailing overseas, and VAN operators have asked that "rates be lowered to the same level as NTT intracompany charges" in view of the fact that dedicated circuits are not available for rental from sources other than NTT.

Sources at the Telecommunications Bureau of the MPT state that "NTT has shelved applications for over a year from Dainidenden (DDI) for rental of dedicated circuits to enter into the frame relay business."

In response to the information released by committee chairman Sonoyama, NTT's public relations office says, "We have not been informed of the details of the council meetings, but rental circuits comprise a wide range of specifications and are not amenable to simple comparisons. We do not think there are any inequities in existing or pending rate structures and hope for early approval of the pending rate application."

Aviation Companies Facing Fight To 'Survive'

OW0609131194 Tokyo ASAHI SHIMBUN in Japanese 2 Sep 94 Morning Edition p 11

[Text] Now that a decision has been made to curb Japan's defense spending in line with the worldwide trend of military cuts, the nation's defense industries are seeking ways to survive. It is difficult to convert military technologies to produce civilian goods. Also, Japanese defense industries' characteristic of relying on U.S. military industrial technologies is becoming a hindrance to developing technologies in new defense areas.

The Council of Aircraft Industries, which is an advisory organization to the Ministry of International Trade and Industry [MITI], held a meeting on 1 September and explained the contents of MITI's budget request for FY 1995. At the meeting, representatives of aviation corporations, including fuselage manufacturers, and men of learning and experience [gakushiki keikensha] expressed their opinions one after another, saying, "We want to see the development of a next-generation small civilian aircraft (FSX) be realized, while defense spending currently is being reduced." Their opinions were tinted with the strong sense of crisis that aviation companies are Feeling.

Sales by heavy industries' aviation departments in defense- related areas count for three-quarters of the entire amount of their annual sales. Due to reductions in defense spending, however, sales by aviation departments are going down. The current midterm defense buildup plan was reduced by 580 billion yen. The Defense Agency originally planned to buy 473 aircraft between FY 1991 and FY 1995. In December 1992, however, the figure was reduced to 390.

Moreover, we cannot say for certain that the remaining aircraft will be purchased as scheduled because the smaller planned purchase may be squeezed [shiborareta] further at the stage of the budget appropriation. A senior official of the Association of Japanese Aerospace Companies, Inc. said: "According to the scaled-back plan, the Defense Agency has to buy 83 aircraft in FY 1995. However, 61 aircraft will be purchased this fiscal year. I think it will be difficult for the agency to buy all the aircraft it plans to buy."

The amount of the Defense Agency's contracts for aircraft purchases in FY 1994 is 296.8 billion yen, which is slightly less than the total for the previous year. However, airborne warning and control systems (AWACS) aircraft are included in this amount. Therefore, money that will actually be paid to domestic companies will be 182.8 billion yen—half of the amount spent six years ago.

In the case of Mitsubishi Heavy Industries, Ltd., who is the largest Japanese defense contractor, most of its contracts were won by its Aviation and Special Vehicle Project Headquarters. The fundamental strategy of the company to deal with the reduction in defense spending is to "cover the shortfall by increasing sales of civilian aircraft" (according to Managing Director Osamu Hinone).

Japanese heavy industries, including Mitsubishi Heavy Industries, Ltd., have been jointly developing the B-767 and B-777 with the Boeing company. However, the reality is that they are subcontractors to Boeing. Following the appreciation of the yen, Japan's heavy industries have been forced to reduce their production costs. Therefore, the real situation is that they are far from becoming breadwinners.

Moreover, it is said that the plan to develop the next-generation medium-size civilian aircraft (YXX) is a pillar of voluntary development because its final assembly will also be carried out in Japan. However, the joint venture partner, the Boeing company, has decided to use an improved version of an already existing medium-size aircraft rather than to develop a new aircraft. Therefore, the plan is essentially frozen.

As it becomes likely that the YSX—which is the remaining pillar of voluntary development and which will carry about 75 passengers—will also be developed jointly with Boeing, some people are beginning to worry that Boeing will play the leading role in the development and production of the YSX; Boeing thinks that the plane's number of seats should be about 100.

At the meeting held on 1 September, an opinion was expressed which asked, "What will become of Japan's aviation companies?" Shozo Ojimi, managing director in charge of defense production at the Ishikawajima-Harima Heavy Industries Company, replied, "We have no choice but to be patient for a while." But the future is not rosy. The Japanese aviation industry—which has been expanding its business, thanks to growing defense spending, since the production of the YS-11 was suspended in 1974—is facing a crisis.

'M-5' Solid Fuel Rocket Launch Program Discussed

OW0509012994 Tokyo YOMIURI SHIMBUN in Japanese 31 Aug 94 Evening Edition p 16

[Article by Yojiro Ikawa: "Real-Model Tests To Start on Space Institute's 'M-5' Rocket for Launching Scientific Satellites This Fall"]

[Text] Programs by the Education Ministry's Institute of Space and Astronautical Science [ISAS] to develop the "M-5" rocket for launching scientific satellites are nearing their conclusion. This will be the world's largest rocket to use solid fuel for propulsion. Combustion tests using prototype models are almost complete and real-model tests will begin this autumn. If all things go well, the first product will be ready in the summer of 1996 and will be used to launch a radio wave astronomical satellite [denpa tenmon eisei]. A space craft to probe the moon and mars will be launched by 1998.

The development of the M-5 rocket started in 1990 for the purpose of scientific exploration programs to probe planets early in the 21st century. The rocket is a successor to the M3S2 rocket developed by ISAS. The larger H-2 rocket developed by the National Space Development Agency [NASDA] uses liquid fuel. On medium rockets, solid fuel is better suited and easier to use, while costing less.

The H-2 is a three-stage, 31-meter-long rocket weighing about 136 tons, and can launch a 1.8-ton satellite into a low orbit about 250 kilometers above the earth. It can carry twice the load capacities of the M3S2, and development costs run to about 20 billion yen in all.

For propulsion, it uses a solid fuel made from mixing ammonium perchlorate, aluminum and other substances. The ISAS has reduced its weight by using newly-developed super-high tensile steel for its frame, and has sought to improve its efficiency by burning fuel at a high speed to boost its speed. But, while pressure-resistance tests were being conducted on its first-stage combustion motor, the new material developed cracks. Consequently, the schedule for development had to be readjusted, and the launch of the first rocket was delayed by a year and a half.

Now with the development of the rocket approaching the final phase, combustion tests on a speed-up kick motor [preceding two words in English], which is set to run once the three-stage propulsion is completed, will be conducted in September. Second stage combustion tests will be conducted in October. Then, in January and February next year, improved materials will undergo first-stage combustion resistance pressure tests.

Three satellites are now scheduled for launching. The first one is the radio wave astronautical satellite "MUSES-B" [MUSES for Mu Space Engineering Satellite]. Equipped with an 8-meter high-accuracy antenna, it can catch radio waves in synchronism with antennas on the ground. This enables it, in effect, to receive radio waves with an accuracy comparable to having a giant antenna 30,000 kilometers in diameter; the first time in the world this has been accompolished. As such, this means the system will enable the detection of sources of radio waves in space with an accuracy tens of times that which has been possible in the past.

The second rocket, which will be launched in 1997, will carry the moon probe "LUNAR-A." Three sets of observation instruments called penetrators which have seismometers on them will be launched into the moon in order to look into the secret of the birth of the moon.

The third rocket, which will be launched in 1998, will carry on it Japan's first Mars probe "PLANET-B." It will probe the conditions of the upper atmosphere, while circling around Mars. It might be able to find out why almost no oxygen exists on Mars. More colorful scientific exploration programs are planned thereafter.

With the M-5 added to the H-2 rocket, Japan will possess powerful means of transportation into space. The M-5 will be used in launching medium-scale satellites and probes, while the H-2 will be used to carry out large-scale programs like sending probes to the moon. The division of labor between the two rockets will make efficient exploration of the space possible.

Furthermore, ISAS and NASDA are now cooperating in developing a "J1" rocket which will be used to launch smaller satellites. It is a three-stage solid fuel rocket—using the auxiliary rocket of the H-2 in its first stage, and the top part of M3S2 rocket in the second and third stages. The first one will be launched from NASDA's Tanegashima Space Center at Minami in Kagoshima Prefecture next summer.

Government To Declare Recession's End on 9 Sep

OW0609122494 Tokyo KYODO in English 1204 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—The government will formally declare an end to Japan's longest postwar recession later this week following the Bank of japan's observation that the domestic economy is headed for recovery, officials said Tuesday [6 September].

The official declaration will be made in a monthly economic report to be released by the Economic Planning Agency on Friday, the government officials said.

The report will cite as favorable factors steady recovery in individual spending fueled by a record heat wave and income tax cuts, and signs of recovery in the nation's industrial output, they said.

The officials said strenuous corporate efforts to overcome the strong yen will also be cited.

The central bank said its quarterly report conducted in August and released Tuesday showed that the domestic economy is heading toward recovery though the process still remains fragile.

"The road to recovery has been confirmed" in the central bank report, said a senior official of the agency.

The declaration will follow about 40 months of economic sluggishness which began in May 1991.

Government sources, however, remain cautious about the steadiness of the recovery in view of an adverse impact on corporate earnings from the stronger yen and a sweeping downsizing process that has boosted the jobless rate.

Tsutomu Tanaka, vice minister of the Economic Planning Agency, said spinoff effects of the scorching summer will be felt after fall.

He said consumer spending was robust as seen in the brisk sales of air conditioners and summer clothing as well as double-digit growth of automobile sales in August.

Agency officials also noted as encouraging signs a pickup in corporate capital investment and an upswing in machinery orders for the April-June period, the first year-on-year rise in about three years.

They said the nation's industrial output in July was down 1.7 percent from a year earlier but the year-on-year decline was far smaller than earlier estimated.

BOJ: Economy Recovering Despite Higher Yen

OW0709074394 Tokyo KYODO in English 0719 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno said Wednesday [7 September] that Japan's economy is heading toward recovery despite the yen's strength in currency markets.

Mieno said at a press conference, "Our judgment on the economic situation remains unchanged based on the results of the Tankan Quarterly Survey," noting that companies have managed to tide over the adverse impact of the yen's appreciation.

While pointing to the need for continued monitoring of developments in foreign exchange rates in judging the pace and sustainability of the recovery, Mieno said, "Corporate confidence has clearly improved" on the back of broad improvements in economic figures.

"Fortunately, foreign exchange rates have been in a lull these days," Mieno said, but still deviated from economic fundamentals.

As for favorable factors, Mieno mentioned recovering individual consumption, boosted by tax cuts and the recent hot summer, and somewhat increasing exports on the back of improving overseas economies.

Mieno also said the sense of excessive stockpiles has reduced moderately and production in the July-September period is expected to remain steady, as it did in the April-June quarter.

At the same time, Mieno cited as factors to be carefully watched remaining low levels of capital spending and lingering downward pressure on employment in addition to the dollar-yen exchange rate movements.

Since the temporary good effects of the tax cuts and scorching summer have inflated individual spending, it is necessary to carefully check future economic data to judge developments after such factors fade, Mieno said.

Asked about the impact of the recent higher long-term interest rates on the economy, Mieno said he did not think such movements would dampen the economic recovery.

Rises in long-term interest rates in a sense reflect corporate economic outlook, Mieno said.

But with the economy in a delicate stage, the Central Bank will carefully watch developments, he said.

To cut Japan's politically-sensitive trade surplus, Mieno pointed to the importance of deregulation both in the long and short term, and showed dissatisfaction with little progress made thus far in easing government regulations.

Both the government and private sector should continue efforts to deregulate in view of opening Japan's markets and increasing investment to boost domestic demand, Mieno said.

Business Confidence Index Improves

OW0609054694 Tokyo KYODO in English 0537 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Business sentiment among major manufacturers improved in the latest quarterly "Tankan" survey, with the index standing at minus 39 in August, up from minus 50 in the previous survey, the Bank of Japan (BOJ) said Tuesday [6 September].

The diffusion index for major nonmanufacturers improved to minus 33 from the previous minus 42, the central bank said.

In the previous May survey, business confidence at both major manufacturers and nonmanufacturers improved for the first time in five years. At that time, manufacturers predicted the index would improve to minus 42 in August and nonmanufacturers forecast an improvement to minus 30.

The confidence index represents the percentage of companies answering "positively" minus those responding "negatively."

The labor index, or the net number of major firms saying they had an excessive labor force, improved to 25 from the previous 26.

The index of product inventories, or the net saying they had excessive stockpiles, stood at 17, compared with 23 in the previous survey.

Major manufacturers and nonmanufacturers plan to cut their capital investment for the current fiscal year by 3.8 percent from a year earlier, revising their plans from a yearly 3.7 percent cut in the previous survey.

Researcher on State of Economy

OW0609084594 Tokyo KYODO in English 0819 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—The Japanese economy is heading toward recovery but still holds fragility, a key Bank of Japan (BOJ) survey showed Tuesday [6 September].

The BOJ's quarterly "Tankan" survey of business confidence, conducted in August, showed broad improvements in corporate confidence from the previous survey taken in May, while still spotted with labor oversupply and sluggish capital spending, the central bank said.

"Tankan endorses our judgment that the economy is heading toward recovery but falls short of brushing out economic fragility," said Kagehide Kaku, head of the bank's Research and Statistics Department.

Briefing reporters, Kaku said economic conditions have not improved much more than expected and reiterated the pace of an economic recovery, even if realized, may be slow.

He cited remaining downward pressure on employment and still dormant capital spending, saying, "economic recovery has yet to be surely guaranteed by Tankan."

Noting the survey is not the only factor by which to judge the economy, Kaku said the central bank will make a comprehensive assessment of the economic situation by taking a number of factors into account, including the hot summer, which boosted sales for firms that produce such things as air conditioners and beer.

The key diffusion index for major manufacturers improved to minus 39 from the minus 50 in the previous survey and that for major nonmanufacturers improved to minus 33 from the minus 42.

The figures represent the difference in the percentage of respondents answering positively to those responding negatively.

The improvement in the confidence of major manufacturers was bigger than the forecast of a minus 42.

By industry, business confidence continued improving and is expected to further improve in three months on a broad front, except for oil refiners and food processors.

Major manufacturers predict a further improvement to minus 29 by December, and major nonmanufacturers forecast an even better figure of minus 25.

Kaku said the oil refinery and food sectors predict a retreat later in the year because the better-than-expected effect of the hot summer may taper off.

The Tankan survey covered 9,949 companies, including 712 major firms, with a response rate of 93.8 percent.

Most of the responses came when the dollar fell below 100 yen to an average 99.61 yen from the 103 yen level in May.

Despite the yen's appreciation, the forecast for exports during fiscal 1994 was revised upward from the previous survey. A higher yen makes Japanese products more expensive overseas.

Kaku attributed improving exports partly to recovering overseas economies, while saying the yen's rise this summer was not as drastic as last year.

Although uncertainty about foreign exchange rate movements is undesirable, the yen's advance may not completely block prospects for economic recovery, Kaku said.

But the yen's strength is still one of reasons for an expected slow economic recovery and apprehension over its sustainability, he added.

Since companies remain cautious about the yen's appreciation, the central bank will continue to carefully watch developments in the currency market, Kaku said.

As for continuing unfavorable factors, Kaku cited labor conditions and capital investment.

The labor index—the percentage of those having an excessive workforce minus that of those with a shortage—slightly improved for major companies to 25 from the previous 26.

While the index for major manufacturers improved to 33 from the previous 36, that for nonmanufacturers waned to 16 from the previous 15.

The pace of improvement in labor conditions has been moderate and the level of labor oversupply remains high, Kaku said.

He said, however, labor conditions may soon stop deteriorating.

On capital spending, Kaku said he still cannot conclude it showed an obvious recovery though almost flattening to near the bottom.

Major firms plan to cut capital spending in the current fiscal year by 3.8 percent from the year before for the third straight year of decrease, slightly greater than the 3.7 percent decline in the previous survey, Tankan showed.

As a favorable sign, Kaku cited an unchanged sales forecast, saying, "a stage of downward revision is completely over."

Major manufacturers left unchanged their forecast on sales of a 0.3 percent yearly rise for fiscal 1994, while revising upward their projection for pretax profit by 1.2 percentage point to 18.2 percent yearly growth.

Kaku said, however, the pretax profit ratio of sales remained low, noting much greater growth in pretax profit could be seen when the economy enters a recovery phase.

EPA Official: 'Acknowledge' Economic Recovery

OW0209094894 Tokyo KYODO in English 0828 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—The Economic Planning Agency (EPA) may finally acknowledge in a monthly report that the economy has entered a recovery phase, depending on the contents of a "Tankan" economic survey to be released by the central bank, the EPA's vice minister suggested Friday [2 September].

Tsutomu Tanaka told reporters that the EPA will closely watch the Tankan report to be issued Tuesday by the Bank of Japan, especially in relation to effects of the yen's appreciation on business confidence.

The EPA, which will release its monthly report on September 9, has failed to say in its past reports that the economy has started to recover, despite good signs in some sectors.

Tanaka mentioned as sources of concern foreign-exchange market and employment trends, but said rising unemployment, stemming from the yen's surge, could be considered separately from an economic recovery.

More on Agency Report

OW0609040194 Tokyo KYODO in English 0317 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—The Economic Planning Agency [EPA] chief said Tuesday [6 September] that his agency's monthly economic report due out Friday will take "half a step forward" in judging the economic situation.

EPA Director General Masahiko Komura declined at a press conference, however, to confirm whether or not the word "recovery" will be used in the report.

Komura commented that getting out of the present slump could be regarded as the equivalent of stepping forward toward recovery, depending on the definition.

At a separate press conference, Finance Minister Masayoshi Takemura agreed with Komura in assessing the nation's economy more favorably.

At the same time, Komura mentioned the yen's appreciation in the currency markets as a continuing concern.

There is almost no discrepancy between the views of the agency and the Bank of Japan in their judgement of the current economic conditions, though there is a slight difference in their views on the economic outlook, Komura said.

"Generally, there is no great difference," Komura said, "though the agency tends to be somewhat prudent."

Business Leader: Economic Recovery Yet To Come

OW0709042194 Tokyo KYODO in English 0349 GMT 7 Sep 94

[Text] Koriyama, Japan, Sept. 7 KYODO—A top business leader said Wednesday a nationwide economic recovery in Japan has yet to come, despite a series of positive economic statistics.

"It's certain that a trend toward recovery is clearly in sight, but I can only say it's still difficult to see a recovery of the economy as a whole," said Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren).

Nagano made the comment at a press conference in Koriyama, Fukushima Prefecture, in reference to the Bank of Japan's latest quarterly survey of business sentiment released Tuesday [6 September], which showed sentiment improving sharply for major Japanese corporations.

Nagano cited a lingering slump in corporate capital spending and uncertainty about the yen-dollar rate as factors behind his cautious assessment of the economy.

Worried About Employment

OW0609060994 Tokyo KYODO in English 0539 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—A senior business leader expressed concern Tuesday [6 September] over the worsening employment situation despite signs of an economic upturn.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), told a news conference there have been signs of economic recovery, centering on consumer spending.

But he said he was concerned about the further worsening of the employment environment.

Hayami said the recent appreciation of the Japanese yen is attributable to Japan's snowballing current account surplus and inflationary pressure in the United States.

He warned that the strong yen would cause an adverse impact on the business performance of export-oriented Japanese corporations.

Turning to the domestic economy, he said the government's economic growth target of 2.4 percent in fiscal 1994 will be impossible unless structural shortcomings are removed.

Hayami also expressed concern that the rise in long-term interest rates could push up short-term rates.

Other Indicators Reflecting Economic Status

Government Posts Net Receipts

OW0109074794 Tokyo KYODO in English 0723 GMT 1 Sep 94

[Text] Tokyo, Sept. 1 KYODO—The government received more from the private sector in August than it paid, 1,047.2 billion yen higher than a year before, the Finance Ministry said Thursday [1 Sep]. Large issuance of bonds in the latest reporting month mainly contributed to the higher net receipts, a ministry official said.

General account income came to 4,039.7 billion yen, down 1,109.1 billion yen from a year earlier, with tax revenues falling 264.7 billion yen to 3,886.6 billion yen and income from new bond issuance down 842.8 billion yen to 109.0 billion yen, the ministry said in a monthly report.

The decrease in tax revenues reflected a 20 percent income tax cut in July bonus payments, the official said.

General account expenditures posted net payments of 2,603.9 billion yen, compared with net payments of 1,518.2 billion yen a year before.

The special account saw net receipts of 84.7 billion yen, up 2,417.8 billion yen from the corresponding month last year, when it posted net payments of 2,333.1 billion yen.

For September, the ministry projects net receipts of 1,355.0 billion yen, up 109.4 billion yen.

Foreign Reserves Hit Record High

OW0109085094 Tokyo KYODO in English 0826 GMT 1 Sep 94

[Text] Tokyo, Sept. 1 KYODO—Japan's foreign exchange reserves increased 2.13 billion dollars in August, setting a new record for the sixth straight month, the Finance Ministry said Thursday [1 Sep].

The all-time high of 115.84 billion dollars in the month-end outstanding reserves reflected the continued intervention by the Bank of Japan [BOJ] to check the yen's rise against the U.S. dollar.

The August rise also represented the 10th consecutive month-to-month increase since November last year, the ministry said.

The foreign reserves include convertible foreign currencies, gold and international monetary fund special drawing rights.

While a ministry official declined to comment on details and reasons for the growth in the foreign reserves, market dealers reported the BOJ evidently continued to buy billions of dollars in August to stop the yen's advance.

The ministry official said the dollar started the month at 98.45 yen and ended at 99.57 yen in Tokyo dealings, after ranging from 97.55 yen Aug. 24 to 101.47 yen marked Aug. 9.

Japan remained the world's largest holder of foreign reserves for 10 months in a row, amassing 111.5 billion dollars at the end of June.

Germany came in second with reserves of 88.7 billion dollars, followed by Taiwan with 88.5 billion dollars. The United States posted 78.0 billion dollars and Singapore 51.6 billion dollars.

Reserve figures for Taiwan were for May while Singapore's were for April, the official said.

Postal Savings Grow 0.6 Percent

OW0209081194 Tokyo KYODO in English 0717 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—The outstanding balance of postal savings stood at 190,018 billion yen at the end of August, up 0.6 percent over a month earlier, the Posts and Telecommunications Ministry said Friday [2 September].

The ministry said it was the first time that the savings amount topped 190 trillion yen.

The ministry said the net increase in August—the amount of deposits minus withdrawals and termination of contracts—totaled 556.8 billion yen.

Ordinary and fixed-amount deposits posted net increases of 204.3 billion yen and 382.5 billion yen, respectively, while time deposits decreased by 46.8 billion yen, the ministry said.

Increase in Minimum Wages Seen

OW3008094094 Tokyo KYODO in English 0858 GMT 30 Aug 94

[Text] Tokyo, Aug. 30 KYODO—The weighted average of daily minimum wages in Japan in fiscal 1994, ending March 31 next year, will increase 2.43 percent from the previous year to 4,757 yen, the Labor Ministry reported Tuesday [30 Aug].

That of hourly minimum wages will rise 2.40 percent to 597 yen, the ministry said.

Tokyo, Kanagawa Prefecture, including Yokohama, and Osaka Prefecture all will record average daily minimum wages of 5,028 yen, the highest in Japan.

Okinawa Prefecture in southern Japan will record the lowest average of 4,322 yen.

Editorial on National Debt Balance

942A0664A Tokyo MAINICHI SHIMBUN in Japanese 1 Sep 94 p 5

[Editorial: "Budget Compilation: Weight of 200 Trillion Yen of Outstanding Balance of National Debt"]

[Text] The deadline for submission of fiscal year 1995 (Heisei year seven) budget estimates was 31 August. The general accounts total was 76.57 trillion yen, reflecting an increase of 4.8 percent over the initial estimates for the last fiscal year. The rough estimates will be used as a basis for the compilation of the official budget.

One senses the gravity of government bonds in viewing the rough estimate requests. Ever since fiscal year 1965 (Showa 40), 30 years ago, when 200 billion yen worth of government bonds were issued, the balance of outstanding government bonds has increased at a rapid pace and as of the end of March next year will break through the 200 trillion yen mark. This represents an inordinate thousand-fold increase over a 30-year period.

The figures represent a per capita debt load of about 1.7 million yen. It is equal to about 41 percent of the gross domestic product. Converted to dollars at recent foreign exchange rates, it would come to about $2 trillion, which is comparable to the U.S. debt load on a per capita basis. The enormity of the figures is enough to make one shudder.

In debates concerning government bonds, we often centered our discussion on monetary flow. Government bonds from a national perspective represent debt, but for the purchaser they represent a financial product. Monetary flow was stressed because, as long as a tight money situation or crowding out situation was not created through massive issuances, the idea was that there is no need to become overly sensitive about government bonds.

In retrospect, even when voices were raised about a fiscal crisis in 1979 (Showa 54) when large amounts of deficit government bonds were issued, there were more than just a few voices saying there was no need for concern as long as we did not encounter a financial problem.

Subsequently, the bubble economy led to an incremental increase in revenues and the crisis perception diminished because the need to rely on deficit government bonds was eliminated until the last fiscal year.

Fortunately, a crowding out situation has not developed thus far. In fact, the need for capital has diminished since the collapse of the bubble and government bonds have become an important source of investments for financial institutions.

It appears that the absence of a crowding out situation and the lack of protest from the business world are major causes for the lackadaisical approach by the government and ruling parties in the handling of tax system reform.

However, when examined from a national assets viewpoint, a government bond balance of 200 trillion yen represents a fiscal crisis. At some time in the future, someone is going to have to repay this astronomical debt. The burden of debt increases especially in times of stable prices. There is no need to mention that we cannot simply transfer this burden to future generations.

Work to compile next year's budget will be initiated under these circumstances. We must first emphasize the need for early conclusion of work on tax system reform and determine the cost associated with servicing the national debt.

The rough estimate figures indicate funding for interest payments on already issued bonds and redemption funding at 16.4 trillion yen, for an increase of 14.2 percent. The figure represents about 20 percent of the general account budget. Moreover, these are interim figures and are subject to change based on the fate of tax reform.

In other words, if the government and ruling parties decide to "give priority to economic recovery," continue income tax cuts, and postpone tax increases, it will become necessary to issue "offsetting government bonds" and government bond servicing costs will increase proportionately.

If we were to be honest in our approach to facing this situation, there is the need to trim budget requests to the bare minimum. Prime Minister Murayama appears to have taken the position that he will cut defense spending, but he should take the same stance on all spending categories.

We do not oppose all tax increases. Rather, we seek a review of spending with a goal of cutting it down to bare essentials. We would like for government to take a serious posture in dealing with the gravity of the government bond balance.

Gas Association Backs CO_2 Research

942A0640A Tokyo NIKKAN KOGYO SHIMBUN in Japanese 19 Aug 94 p 13

[Text] The "Research Association on Desert Greening Technology as a Carbon Dioxide (CO_2) Countermeasure" (Tokyo University professor Yoichi Kaya, chairman), which the Japan Gas Association (Hiroshi Watanabe, chairman) established jointly with the Global Environment Industrial Technology Research Organization (Eishiro Saito, chairman), has put together a basic conceptual scenario for development of desert greening as a CO_2 countermeasure. According to this, the CO_2 emitted from world fossil fuels is 22 billion tons annually. The desert-greening technology development scenario for this is comprised of three stages. The first stage (first to third years) will be implementation of basic research and elementary technology research. The second stage (fourth to ninth years) will be on-site corroborative research on (1. simulation results on a scale of 1 x 1 kilometer and 2. trial experimentation on a scale of 10 x 10 kilometers) and development of methods to increase scale. The third stage (10th year and thereafter) will start on a scale of 100 x 100 kilometers. In this third stage, 360 million tons of CO_2 will be stabilized annually in the desert. The cost of CO_2 fixation measures at this stage are said to be 37,000 yen per ton. The results of this research will be announced at the "Second CO_2 International Symposium" that will be held in the Kansai Culture and Science City of Kyoto from 25 to 27 October.

Hiroshima Gas Converting to Natural Gas

942A0644A Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Aug 94 p 23

[Text] As the first step of the work to convert to natural gas, the objective of Hiroshima Gas starting 5 September will be to prepare the adjustment parts for the gas apparatus and to get a handle on the amount of adjustment work for the switch to gas apparatus by users. This survey, targeting the whole area of Hatsukaichi city and part of Ono-cho and Saeki-ku, Hiroshima city, which are scheduled for conversion in 1995 will be conducted by February 1995.

When converting to natural gas, it is necessary to adjust parts such as the gas apparatus nozzles and air regulators to natural gas use because the amount of heat generated is 2.4 times that of petroleum gas. The company will get a handle on the gas apparatus for users and make procurement preparations for the adjustment parts because parts to be converted differ depending on the type, model, and manufacturer of the gas apparatus.

This survey will be implemented in three parts from September through February next year targeted at 11,000 households. The company will survey other areas in succession up to a year or half a year before the conversion work.

Itochu Developing Australian Coal Field

942A0645A Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Aug 94 p 11

[Text] Itochu Company will begin production with two Australian mining companies on a sutorari [as transliterated] scale in the state of New South Wales in the southeastern part of the country, and will supply coal to Japanese steelmakers and electric power companies. Itochu will continue to proceed with acquisition of coal mine interests in Australia with the plan of strengthening exports to Japan.

The coal fields to be developed are located about 130 kilometers north of the city of Newcastle on the Pacific coast of New South Wales. Currently, the local CIM Resources and Excel Mining have a 70-percent and 30-percent share of the coal mining interests respectively, but Itochu soon will purchase 10 percent from Excel. The amount of the acquisition is about 180 million yen. At the same time as bearing 10 percent of the development costs, Itochu will obtain monopolistic rights of export to Japan.

Itochu and the two local companies plan to produce for a 15-year period and to export almost all to Japan. It is considered to be cost competitive because it is open-air mining and close to a loading port. This is the first time that Itochu has acquired mining interests overseas. Currently, the amount of Australian coal that Itochu will handle will be about 3 million tons annually, but if development of the coal field proceeds smoothly, it will expand over 30 percent.

Denki Kagaku Restarts Chiba Styrene Plant

942A0646A Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Aug 94 p 7

[Text] Denki Kagaku Kogyo will again put in operation this week the styrene monomer facility at its Chiba plant (Ichihara city, Chiba Prefecture) that had been shut down. It has responded to the fact that the product is becoming in short supply since the market situation centering on Southeast Asia is suddenly rising and in addition, the demand for the derivative product of general resin polystyrene has recovered. The restart of operations in styrene monomer, where there had been facilities expansion one after the other and concern about an oversupply, can be called a move to take the initiative in the economic recovery of the petrochemical industry.

Being put into operation again is the styrene monomer plant which has a production capability of 180,000 tons per year in its Chiba plant. It is beginning test runs for the restart of operations 1 September. It would like to prepare quickly for a fully operating system while viewing demand trends.

The plan had been to shut down this plant along with the beginning of operations in May of the styrene monomer facility (250,000 tons annual production) which Denki Kagaku Kogyo newly established jointly with Sumitomo Chemical and not operate it for a minimum of one year. That was because it had judged that since other companies in the industry such as Mitsui Toatsu Chemicals also had established new plants, it would invite a large oversupply if it operated both the new and old facilities.

Recently, however, backed by the economic recovery in the United States, the demand for styrene monomer has expanded quickly in China and Southeast Asia. Moreover, the overseas market situation is rising rapidly because of prospects that the large U.S. chemical manufacturers one after the other will stop operations this fall for scheduled repairs. In addition, since the domestic demand for polystyrene, a derivative product, also is recovering and exports are favorable, the styrene monomer inventory is decreasing rapidly.

Because of this situation, in addition to Mitsui Toatsu Chemicals boosting the operating rate of its brand new plant (annual production of 240,000 tons) at Yamaguchi Ube from about 70 percent to over 90 percent, other companies in the industry such as Tosoh and Nippon Steel Chemical also have styrene monomer facilities in full operation.

Editorial Urges Effective Public Investment

942A0651A Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Aug 94 p 2

[Editorial: "Do Not Make Public Investment a Public Waste"]

[Text] Submissions for rough estimates of fiscal year 1995 budget requests have been completed. A major feature of the budget compilation process in connection with those submissions is the revision to the allocation of funding for public works projects. Included in the process is the initiation of work to provide for an upward revision of the basic public works program (initially set at 430 trillion yen over a 10-year period), a promise made to the United States. The Murayama administration, which advocates "continuation of past foreign affairs policies and reform of domestic government programs," should clarify the position which it will assume in implementing reform in programs such as public investments.

The last coalition government publicly committed itself to "fundamental reform of funding for allocation of public works programs," but betrayed public expectations when it implemented categorical reallocations which were limited to less than one percent. The results of their reallocation efforts were limited in this way because of bureaucratic persistence in preserving vested rights and the insurmountable barriers posed by pressure groups. There is the risk that the Murayama administration will find itself mired in the same situation. The following four points are especially critical in avoiding a situation where public investments do not become "public waste."

First, we must stress areas related to the residential environment. Of special significance is that social capital investments must anticipate the coming of the senior-citizen society and the construction of facilities that are responsive to senior-citizen needs. Such facilities must be compatible with the environment.

We must place greater emphasis on the allocation of funding in support of residential requirements, such as waste disposal facilities, sewage disposal, and parks. We must stress the qualitative issues. As an example, road construction should encompass the provision of wide sidewalks, roads with ample space visualizing the senior-citizen driver, and harmony with the natural scenery. The foregoing actions should be accommodative of Prime Minister Murayama's "government that is gentle to the public."

Second, we need to provide for construction of next-generation industrial infrastructure which is compatible with the post-industrial age. Public works investments will play a major role in actions that must be taken to respond to mega-competitive forces imposed by the entry into the world markets of several billion people from the former Soviet Union, East Europe, China, India, and Central and South America.

As we suggested in our editorial series titled "The Beginning of the Downfall of Japan," Japan is falling behind Europe, the United States, and the newly industrialized nations of East Asia in the construction of international hub airports and information highway systems. International economic barriers have been lowered and we have now arrived at an age where businesses may exercise freedom in selecting investment sites, but there is a need to build new industrial infrastructure for the globalization and information age as a means to attract leading-edge investments in Japan and create future jobs.

Third, we must provide for cost reductions relative to public investments. We must introduce "price destruction" imposed by major competitive forces in public works investments. A Japan-U.S. comparative study revealed that Japan's public works costs are 30 percent higher than in the United States. If we could reduce our public works costs to U.S. levels, we could realize 30 percent more in social capital with the same amount of funding.

Fourth, we must restore public confidence in public works projects which was lost owing to the general contractor scandals. Basic to such an effort would be the thorough enforcement of a highly transparent general competitive bidding system and the indispensable provision of a system under which private-sector insurance companies evaluate the project execution capabilities of construction firms and post "performance and payment bonds" which guarantee satisfactory completion of projects. General competitive bidding provides for active competition and has the effect of lowering the cost of public works projects.

The Liberal Democratic Party [LDP] which has restored itself to the ranks of government has certainly not forgotten that it was Deputy Prime Minister Kanemaru's huge tax evasion and spreading general contractor scandals that triggered the downfall of LDP one-party rule. The Ministry of Construction and local autonomous governments have limited general competitive bidding to a segment of major projects. It appears that government offices are persisting in the preservation of the designated bidder system which enables them to specify firms qualified to place bids as a means to protect their authority. If the LDP wishes to publicly demonstrate a departure from their corrupt systems, it should lead the other coalition parties in effecting a thorough reform of the bidding system.

A noticeable change in connection with the next fiscal year budget compilation process is the establishment of a special emphasis allocation for public works investments. Categorical public works allocations have remained unchanged for 15 years in a cut-and-dried manner and deviated from public needs primarily because the Ministry of Finance [MOF] used the lack of adequate funds as an excuse to impose a uniform ceiling on all ministries. The establishment of a special emphasis allocation provides for flexible management of funding and represents a modest step towards improvement.

The impact is that the respective ministries are granted higher ceilings and with some ingenuity provide fluctuations in the amount of funding requested for each of the different project categories. However, in the case of the Ministry of Construction budget request, very little variation in program growth is included for categories such as roads, forestry and flood control, parks, sewage, and housing, reflecting abandonment of the authority to set categorical priorities based on policy. On the other hand, the Ministries of International Trade and Industry, Posts and Telecommunications, and Construction have submitted budget requests which overlap in the area of information infrastructure.

There is a need to prioritize projects through the exercise of political leadership without relying on the vertical subdivision of the bureaucracy. The process will require the establishment of a decision-making criteria in terms of increases and decreases in funding.

In reviewing budget requests last year, the Fiscal Council established three categories; i.e., 1) Concentrated investments for residential environmental improvements such as housing, water distribution and sewage, and waste disposal facilities; 2) Steady improvements for the preservation of domestic lands such as forestry and flood control and coastal lines; 3) Restrained spending for industrial infrastructure such as agricultural production infrastructure, fishing ports, and harbors. The categorical breakdowns are too broad. Any project could be categorized as "residential-related." And information-related projects under industrial infrastructure must be provided with increased funding.

Next year's budget compilation process should include, as decision-making criteria, factors such as 1) trend in number of beneficiaries, and 2) effect of future employment trends.

As an example, if growth in airline passenger statistics are considered, it would be logical for the share of funding for airport construction to be increased. On the other hand, the numbers of agricultural and fishery industry workers is falling, while recent years have reflected a relatively excessive investment emphasis in the areas of agricultural production infrastructure and fishing port facilities. We cannot expect any growth in the basic industrial sector. Funding originally allocated to such sectors should be transferred to sectors where employment growth can be anticipated such as in the information-related fields.

There is criticism of such measures as "neglecting regional needs," if proposals are made to reduce funding for agricultural infrastructure and fishing ports. However, an issue of greater significance is the disregard of excessive investments. There are many examples of wasted funding in the form of farm roads which cannot be distinguished from general roads, seemingly unnecessary farm roads and airports, and fishing ports for every small village. Typical of such waste is the Chukai-Anamichi Lake water desalinization project, which had to be canceled after spending almost 100 million yen.

Movements are taking place to increase investments in the agricultural-related sector as compensation for damages incurred by farmers as a result of the Uruguay

Round compromise, but the acceptance of imports and the concurrent improvements in the domestic production base lack compatibility. Actions taken in the area of agricultural-related public works projects will probably serve as one measure of judging whether the LDP-Social Demoractic Party of JApan coalition government is "reformist" or "conservative."

North Korea

Military Sources: ROK Inciting 'War Atmosphere'

SK0709045294 Pyongyang KCNA in English 0424 GMT 7 Sep 94

["Ceaseless Military Provocations in DMZ"—KCNA headline]

[Text] Pyongyang, September 7 (KCNA)—The South Korean puppets brought into the Demilitarized Zone in the western, central and eastern sectors of the front about 1,000 bandits armed with machine guns and automatic weapons together with large-calibre machine guns and 40 odd military vehicles in the period from September 3 to 5, inciting a war atmosphere, military sources said.

This was a part of the deliberate and premeditated provocations of the Kim Yong-sam traitor clique seeking to lay artificial obstacles in the way of the DPRK-U.S. talks by rendering the situation of the Korean peninsula strained.

The puppets must not act rashly, looking squarely at the trend of the times.

ROK Military Budget Increase Said War Preparation

SK0709050394 Pyongyang KCNA in English 0448 GMT 7 Sep 94

["Increase of Military Budget Against the DPRK"—KCNA headline]

[Text] Pyongyang, September 7 (KCNA)—MINJU CHOSON today says that the Kim Yong-sam group is intended to drastically increase the military budget next year to openly push ahead with preparations for a war against the North at a more adventurous stage.

The South Korean ruling group is about to increase the military budget for next year by one trillion won, or 12.5 percent over this year.

The drastic increase of the military budget clearly shows once again that the "civilian"-veiled Kim Yong-sam "regime" is a group of more vicious warmaniacs than the successive military fascist dictatorial "regimes" and a group of warmaniacs watching for a chance to ignite a war against the North, the news analyst stresses, and goes on:

It is an unpardonable criminal act that the "civilian"-veiled group is trying to step up war preparations for a northward invasion by bleeding the people white next year, too, as this year.

No one can predict when the Kim Yong-sam group surpassing the successive military fascist dictatorial groups will kindle a war against the fellow countrymen in the North. As long as there are such warmaniacs in South Korea, the situation is always instable and the nation is overcome by a fear that a war may break out any moment.

The South Korean ruling group should ponder over the grave consequences to be entailed by the increase of the military budget, cancel it at once and stop its reckless war preparations.

'Diplomatic Sources:' Kim Died During Heart Transplant

OW0709101094 Tokyo KYODO in English 0946 GMT 7 Sep 94

[Text] Seoul, Sept. 7 KYODO—North Korean President Kim Il-song, whose death in early July remains the object of much speculation, succumbed during a heart transplant operation at his Mt. Myohang Villa, foreign diplomatic sources in Seoul said Wednesday [7 September]. The sources refuted the report of a North Korean medical investigation into the cause of death that said Kim's chest was cut open for an autopsy. They claimed instead that the president's chest was opened in preparation for an attempted heart transplant.

According to the sources, Kim reportedly suffered a heart attack on July 7 and doctors at the villa, after contacting his son and designated heir Kim Chong-il in Pyongyang, made preparations for the heart transplant while in contact with a medical team in the North Korean capital. The transplant team was set to be dispatched to the villa from Pyongyang, but the helicopter carrying the team was delayed by bad weather. When they arrived at Mt. Myohang, Kim was already dead, the sources said.

The sources also said that communications between Pyongyang and the Mt. Myohang villa at the time included long conversations over the phone on Kim's condition and directions for the operation.

Western intelligence reportedly tried to intercept the communications, but failed, leading to speculation that the North Koreans have developed a system to safeguard their calls, the sources said.

Following the July 9 announcement of Kim's death, reportedly of a heart attack on July 7, North Korea watchers speculated that he may have been killed over his recent efforts to improve relations with the United States and South Korea.

Early last month, Western intelligence sources in Beijing said Kim died on July 2 at his villa during a politburo meeting in preparation for an inter-Korean summit scheduled for late July.

Foreign Figures Urge Abolition of Security Law

SK0509220194 Pyongyang KCNA in English 1517 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Foreign figures, friendship organizations and newspapers demanded a prompt abrogation of the fascist "National Security Law" [NSL] of South Korea and an immediate halt to violations of human rights there, condemning the traitor Kim Yong-sam for cracking down on patriotic students.

Nikolai Mishin, director of the Paleya publishing house of Russia, said in a letter to the South Korean puppet ambassador that the "NSL" is an anti-democratic, anti-popular and anti-reunification law which bans etiquette based on human morality, freedom of academic study and rights to choose idea and the exchange of compatriotic feelings between fellow countrymen. If Kim Yong-sam persistently resort to suppression with this law, he will meet the same doom as the preceding rulers, the letter warned.

The Bulgaria-Korea Friendship Association in a statement strongly urged the South Korean rulers to immediately scrap the "NSL" and promptly release all prisoners of conscience, charging that they cracked down with bayonets upon people of broad segments and students in mourning services and arrested many people by invoking the law.

The German paper FRANKFURTER ALLGEMEINE ZEITUNG, the Swedish paper PROLETAREN, the Russian paper SEGODNYA and the Czech paper HALO NOVINY, too, demanded an immediate abrogation of the "NSL", branding Kim Yong-sam as a fascist element.

Arrest of ROK Workers Supporting Chuche Denounced

SK0709040794 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 6 Sep 94

[Commentary by Yun Pyong-son: "Suppression Only Increases Resistance"]

[Text] According to reports, the Kim Yong-sam fascist clique on 4 September arrested six people, including Kim Myong-sik, chairman of the Songnam Area Workers' Association, on charges of violating the National Security Law. The puppets committed such an oppressive act claiming that they formed the Songnam Area Workers' Association in November 1992, operated the Workers' School and Reunification School, distributed and disseminated works on the chuche idea to some 200 workers, and participated in the resolution rally of workers who oppose the Uruguay Round treaty.

Prior to this, on 1 September, the puppets sentenced worker Kim Chin-tae to imprisonment for believing in the chuche idea and reading relevant books. This is indeed an intolerable fascist rash act aimed at blocking the dissemination of the chuche idea, and a vicious challenge against truth and justice.

It is South Korean workers' right to believe in and disseminate the chuche idea. Nobody can stop this. As everyone knows, the chuche idea is a great guidance ideology of our times that enlightens the road toward national, class, and human liberation. Billions of people in the world find the way in their life from the chuche idea and are vigorously advancing following the chuche banner.

It is a world trend today to study, learn, and follow the chuche idea. It is regarded as a crime only in South Korea, where the most valuable beings in the world—human beings—are treated with contempt and disdain, exploitation and suppression as if they are less than human, and where people are merely surviving.

If the South Korean workers, who are moaning under the capitalist exploit and suppression, have studied and disseminated the chuche idea, which enlightens the road for pioneering their destiny, it is in conformity with the trend of the times. It is something to be proud of, not to be suppressed.

Nevertheless, the fascist clique challenged the trend of the times by handcuffing the members of the Songnam Area Workers' Association for studying and disseminating the chuche idea. It is a barbarous act that ruthlessly tramples upon people's ideology.

The suppression of the chuche idea followers in South Korea is targeted at not only youths and students, but also workers, farmers, and intellectuals. Everyday, people who believe in the chuche idea are arrested, imprisoned, and punished in various places. The reality in South Korea plainly shows that South Korea is an unrivaled closed society under dictatorship and a barren land for democracy, and that the Kim Yong-sam clique is a group of savages who barbarously stab at human beings' ideology.

There are many countries in the world and every country has different ideologies, theories, and opinions. But there is no place like South Korea where freedom of ideology is completely obliterated. The reason the Kim Yong-sam fascist clique is terrified by the chuche idea and would lose its mind to run wild in suppression, is to block the dissemination of the immortal chuche idea among the South Korean people. Particularly, the puppets are afraid that the dissemination of the chuche idea might make the South Korean workers, who have strong unity and struggling ability, become conscious of their class and rise in the struggle against them, the reactionaries of history. They see their miserable destiny without a future through the South Korean people, who believe in and follow the chuche idea, not yielding to any brutal suppression.

The arrest of the members of Songnam Area Workers' Association by the puppet clique on charges of violating the National Security Law, the most atrocious antireunification fascist evil law, is an expression of frenzied maneuvers of those who are facing death. The true reason behind the Kim Yong-sam clique's raving about the liberal democratic system being threatened by the chuche idea and waging an unprecedented fascist frenzy, is to block the dissemination of the chuche idea by all means, even by devastating South Korea if necessary, and maintain the traitorous regime facing the crisis of collapse.

However, one can tie a man physically but can never bend or destroy his ideology. The more the fascist suppression is strengthened, the more the people's struggle against it will be increased. No matter how the Kim Yong-sam clique brandishes the guns and swords at the people, it cannot block the dissemination of the chuche idea in South Korea, nor can it hold up the falling dictator regime. The people will throw the Kim Yong-sam clique into the trash bin of history without fail.

Seoul VNS Cited on Praise for Kim Il-song

SK0509103994 Pyongyang KCNA in English 1029 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Voices lauding the merits of the great leader President Kim Il-song, who had devoted all his life to the country and the people, are growing louder among the South Korean people as days go by, according to radio Voice of National Salvation [VNS] from Seoul.

A professor Yi of Seoul National University told his students after attending a memorial service for President Kim Il-song arranged by the members of an underground idea circle of the university:

President Kim Il-song is a master of thought and theory who founded the chuche idea, the eternally precious sword in shaping the destiny of mankind, and the leader who built the first socialist state centering on popular masses where the century-old desire of human being to live without worries has been brought into reality.

The president is the fatherly leader who will be always with our nation until the end of the earth in the future, too, as in the past.

A student Chong of Hanyang University told his friends:

Respected President Kim Il-song is the father of all of us who had devoted all his life to the happiness of 70 million fellow countrymen.

Since the country was divided by outside forces after the liberation, he, not forgetting the people in the South even a moment, had devoted all his tireless efforts for the day when all our fellow countrymen will live a harmonious and happy life in a reunified country.

His whole life was, indeed, the life dedicated to the country, the nation and our people.

A professor Kim of Kangwon National University told his students:

While on a foreign trip for academic study I had a chance to read President Kim Il-song's reminiscences "With the Century". You, too, read it without fail and then you will understand well how great he is.

Indeed, President Kim Il-song was not only the benefactor of the national liberation and savior of national restoration but also the great father of the nation who had devoted all his life to the great unity of the nation and the reunification of the country.

He was also a great man and the sun of mankind who had made distinguished contributions to achieving world peace and the cause of independence.

I think that a golden tower to hand down President Kim Il-song's merits should be erected in the highest place of the earth and his statue and the grand revolution museum to hand down his exploits for ever should be built in the centre of the globe.

Yi Ki-taek Urges Review of Policy Toward North

SK0609050394 Pyongyang KCNA in English 0436 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—Yi Ki-taek, chairman of the opposition Democratic Party of South Korea, published a special message on Monday urging the authorities to totally reexamine the policy toward the North, according to radio reports from Seoul.

"While the situation surrounding the Korean peninsula is changing fast to the exclusion of South Korea these days, South Korea alone is bringing a crisis to itself by unrealistic diplomacy," he noted, urging the authorities to totally review the policy toward the North.

He declared that "the diplomacy of South Korea is facing a crisis."

Contending that the "government" must not persist in "special inspection" of the North but promote reconciliation with it, he demanded "a total replacement of the diplomatic and security team which has shaped an inconsistent policy toward the North."

"By sticking to unrealistic argument, the 'government' has revealed a policy confusion and incompetence, failing to nimbly cope with the trend of the rigid diplomatic situation," Yi said.

Foreign Groups Support DPRK-U.S. Statement

SK0509103694 Pyongyang KCNA in English 1022 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Organizations in different countries expressed support to the agreed statement between the Democratic People's Republic of Korea and the United States of America published in Geneva.

The Burundi-Korea Friendship Association, the Burundi committee for supporting Korea's reunification and the Burundi group for the study of the chuche idea said in a joint statement that the announcement of the agreed statement between DPRK and USA was a victory of the DPRK's independent stand as well as a victory of its nuclear-free peace policy. And they hoped that the agreed statement would be brought into practice without fail.

"The United States should, on the basis of the agreed statement, offer light water reactor power plants to the DPRK as early as possible and take a practical step of compensation for its graphite- moderated reactors which will be frozen in the period," the statement said.

The Russian Association for Friendship and Cultural Cooperation with the DPRK in a statement said the result of the third-round DPRK-U.S. talks proved that complicated issues could be solved only through dialogue based on the way of taking interests of both sides into consideration.

Drawing attention to the fact that the South Korean and Japanese reactionaries disliking the improvement of the DPRK-U.S. relations are aggravating the situation, the statement expressed support to and solidarity with the Korean people's cause of justice.

The Nepalese paper DRISTI noted that the current agreement was an important turn of weighty significance in solving the problems of DPRK-U.S. relations, denuclearization of the Korean peninsula and, furthermore, the reunification of Korea.

Since the nuclear issue on the Korean peninsula was raised by the U.S. shipment of nuclear weapons into South Korea and its nuclear threat, it has been a basic way for North Korea to find a solution through negotiations with the United States, the paper said.

No matter what obstacles the South Korean authorities are laying, the nuclear issue of the Korean peninsula will be settled peacefully in its way, it added.

Foreign Groups Support Agreement With U.S.

SK0709103794 Pyongyang KCNA in English 1023 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—Foreign political parties and organizations have fully supported the agreed statement between the Democratic People's Republic of Korea and the United States.

The Information Department of the All-Union Communist Party of Bolsheviks in a statement August 27 said the result of the third round of the DPRK-USA talks is a great victory of the DPRK's foreign policy.

Noting that the present attempts of the Japanese and South Korean reactionary circles to baffle the agreed statement are anachronistic criminal acts, the statement said their request for "special inspection" is a wrong move to scuttle the DPRK-USA agreement and nip the trust between the two countries in the bud.

The Tanzanian Youth Union in a statement August 26 said the publication of the agreed statement is a fruition of the sincere, peaceloving stand of the DPRK toward dialogue under the guidance of the dear leader General Kim Chong-il. It expressed the hope that the relations between the DPRK and the USA will be normalized as early as possible so as to contribute to world peace.

The Senegalese organization for friendship with the fraternal Korean people in a recent statement stressed that the success in the talks was the fruition of the tireless efforts of the great leader President Kim Il-song. The Portuguese Central Committee for the Study of Kimilsongism in a statement August 28 voiced full support to the agreed statement and strongly urged the U.S. and South Korean authorities to promptly stop such large-scale joint military manoeuvres as Ulchi Focus Lens.

Japan Socialist Center Group Members Interviewed

SK0709043594 Pyongyang KCNA in English 0405 GMT 7 Sep 94

["'Korean People Are Advancing With Conviction of Victory'"—KCNA headline]

[Text] Pyongyang, September 6 (KCNA)—A delegation of the Japan Socialist Centre led by its Chairman Yasuo Ootsubo was interviewed by reporters here.

Noting that it is very important now to apply the chuche idea in conformity with the conditions of Japan, the head of the delegation said: "To do so is for us to carry through the behests of the great President Kim Il-song."

The deputy head of the delegation, Koichiro Narumi, said:

"I am really glad that the Korean people are registering great achievements in socialist construction, united more closely around Mr. Kim Chong-il, changing their sorrow into strength and courage.

"Many countries have undergone a confusion by failing to properly solve the issue of the successor to the leader. But in Korea, this issue was successfully solved by President Kim Il-song and the entire people are advancing with the conviction of victory in the revolution.

"Korean-style socialism greatly inspires the Japanese people. Back home, I will work harder to apply the chuche idea."

Noting that Korea is very clean and beautiful, a member of the delegation, Akiko Yasumoto, said: "This is because all of the Koreans have a pure heart in remaining faithful to the party and the leader."

Delegation Returns Home

SK0609120794 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Sep 94

[Text] A delegation of the Japan Socialists Center headed by (Otsubo Yakuo), chairman of the center, today returned to its home country by air.

The delegation was seen off at the airport by Yi Chi-su, director of Academy of Science of Chuche.

Earlier, the delegation laid a wreath on the statue of the great leader Comrade Kim Il-song on Mansudae Hill, and paid a silent tribute to him.

Anniversary of Sports Group in Japan Marked

SK0709101294 Pyongyang KCNA in English 1001 GMT 7 Sep 94

[Text] Tokyo, September 5 [date as received] (KNS-KCNA)—A meeting was held at the Korean House in Tokyo today to mark the 40th anniversary of the formation of the Sports Federation of Koreans in Japan.

The participants in the meeting observed a moment's silence in memory of the respected leader Generalissimo Kim Il-song.

A silk banner and congratulatory message from the State Commission of Physical Culture of the DPRK on this occasion were introduced there.

And DPRK titles and badges of master of sports provided by the dear leader Marshal Kim Chong-il were awarded to ten Korean sportsmen in Japan.

In his congratulatory speech Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, stressed the need to firmly build the ranks of sportsmen into a unit of chuche type, saying that respected General Kim Chong-il is their destiny and future.

In his report at the meeting, chairman of the federation Paek Chong-won recalled the course covered by the federation. And he stressed that the federation should remain loyal to the leadership of the dear leader and make a great contribution to the patriotic work to reunify the country in the 90s without fail.

A letter to Marshal Kim Chong-il was adopted at the meeting.

Two Japanese Legislators Arrive in Pyongyang

OW0609135694 Tokyo KYODO in English 1339 GMT 6 Sep 94

[Text] Pyongyang, Sept. 6 KYODO—Two Japanese lawmakers arrived in Pyongyang on Tuesday [6 September], the first Japanese legislators to visit North Korea since the death of President Kim Il-song in July.

The two are Hajime Fukada, a member of the House of Councillors and head of the Japan-North Korea Committee within Prime Minister Tomiichi Murayama's Social Democratic Party (SDP), and Kanji (Antonio) Inoki, also an upper house member who belongs to the minor Sports Peace Party. They will stay in Pyongyang until Saturday.

Fukada is in North Korea at the invitation of the International Department of the governing Workers Party of Korea, and Inoki is visiting at the invitation of the State Physical Culture and Sports Committee and a North Korean committee promoting peace in the Asia-Pacific region.

Because Friday is the anniversary of the founding of the Democratic People's Republic of Korea, the official name of North Korea, the two legislators hope the celebrations during their stay will give an indication of prospects for the succession of heir- apparent Kim Chong-il to his father's top post of general secretary of the Workers Party and head of state.

Inoki, a former professional wrestler, had planned to visit North Korea in July, but his visit was called off while he was in Beijing because of the sudden death of the elder Kim.

Inoki has said he hopes to meet Kim, although he is in North Korea officially to pay his respects to the family of Rikidozan, a Korean-born former sumo wrestler who lived in Japan and later popularized professional Western-style wrestling.

Fukada will discuss with Pyongyang officials a proposed trip to North Korea by SDP Secretary General Wataru Kubo before an extraordinary Diet session scheduled to begin in late September.

SDP officials have said Kubo will visit North Korea at the invitation of the Workers Party of Korea.

Japanese Official on Kim Chong-il as Successor

SK0509044094 Pyongyang KCNA in English 0429 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Hiroshi Wakabayashi, secretary general of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, was interviewed by reporters here.

President Kim Il-song devoted his all to the independence of the country and the happiness of the people, he said, and went on:

After the liberation the president had worked without a day's rest for the removal of the tragedy of the national division into the North and the South and socialist construction in Korea and passed away unexpectedly while working, having no time for recovering from the fatigue.

During our recent visit we saw the Korean people changing the sorrow into strength and courage and working hard to implement the behests of the president, holding Mr. Kim Chong-il in high esteem.

And we have come to know that Mr. Kim Chong-il is energetically leading the struggle of the Korean people.

Mr. Kim Chong-il, successor to President Kim Il-song, has accumulated rich experiences while wisely directing all state affairs for scores of years.

The leadership system of successor Kim Chong-il has already been firmly established in Korea.

I hope that the Korean people under the guidance of Mr. Kim Chong-il will make greater achievements in their struggle to accomplish the revolutionary cause true to the behests of President Kim Il-song with the singlehearted unity of the party and the people under the complex international situation.

Former 'Comfort Women' Stage Protest in Seoul

SK0509043594 Pyongyang KCNA in English 0425 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—A group of the former "comfort women for the army" in South Korea reportedly staged a protest struggle on September 2 demanding the apology and compensation of the Japanese Government.

The protesters thronged to the Japanese Embassy in Seoul and held a protest rally at which they expressed a surging indignation at the fact that the compensation to the former "comfort women for the army" is not included in a recent statement of the Japanese prime minister as regards the postwar settlement.

After the rally, they went to the "state modern art gallery" where the Japanese traditional handiworks exhibition is open and destroyed show-cases, calling for an immediate halt to the exhibition.

Pae Pyong-tu Leads Group

SK0709053994 Pyongyang KCNA in English 0431 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—A congratulatory group of Koreans in Japan led by Pae Pyong-tu, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), staying here to celebrate the 46th birthday of the DPRK, visited the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang Tuesday to mourn his death.

A delegation of the Sports Federation of Koreans in Japan headed by its Chairman Paek Chong-won was also seen there.

The members of the congratulatory group and the delegation laid a wreath in the name of the Chongnyon Central Standing Committee before the statue and observed a moment's silence in memory of President Kim Il-song, the sun of the nation, the lodestar of national reunification and the benevolent father of 700,000 Korean residents in Japan.

The head of the group said that they would turn today's bitter grief into a thousand-fold strength and courage and accomplish the revolutionary cause of chuche started by President Kim Il-song, holding dear Comrade Kim Chong-il in high esteem as the supreme leader of the nation.

Hong In-hum Leads Group

SK0609045394 Pyongyang KCNA in English 0430 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—A delegation of officials of the General Association of Korean Residents in Japan (Chongnyon) led by Hong In-hum staying in the socialist homeland visited the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang on Monday to honor his memory.

The delegation laid bouquets of flowers before the statue of President Kim Il-song and observed a moment's silence.

The head of the delegation said that they still felt sorrow and pains at the loss of the respected leader Comrade Kim Il-song, the great father of the nation, and were overwhelmed with remorse at having failed to acclaim him on the rostrum of the plaza of reunification.

"We will uphold supreme commander Comrade Kim Chong-il with more intense loyalty and filial piety than we did the respected leader and further cement single-hearted unity around him so as to accomplish the revolutionary cause of chuche", he said.

Chongnyon Delegations Visit Kim Il-song Statue

Chong Chun-sik Leads Group

SK0509050694 Pyongyang KCNA in English 0443 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—A delegation of Chongnyon officials headed by Chong Chun-sik, vice-director of a department of the Central Standing Committee of the General Association of Korean Residents in Japan, a delegation of officials of Chongnyon branches headed by Kim Yang-kwang, a section chief of the Central Standing Committee of Chongnyon, and a home visiting group of students of Korean university under Chongnyon Sunday called at the statue of the great leader President Kim Il-song on Mansu Hill to honor his memory.

They laid bouquets of flowers before the statue of President Kim Il-song and observed a moment's silence with deep sorrow at the loss of President Kim Il-song.

Kim Yang-kwang said the grief at the loss of the affectionate father was bitterest and pledged to devote all to the patriotic work of Chongnyon and the noble cause of national reunification, remaining loyal to the leadership of the dear leader Marshal Kim Chong-il, keeping in mind the behests of the great leader.

The members of the home visiting group of students of Korean university under Chongnyon held a meeting and firmly resolved to thoroughly prepare themselves as revolutionary soldiers defending their leader, their homeland and the Chongnyon organization to the end and uphold the sagacious leader marshal Kim Chong-il with loyalty and filial piety.

The delegations and home-visiting group arrived in Wonsan by a ship on Sunday.

Japan, Bangladesh Groups Visit Kim Il-song Statue

SK0709054694 Pyongyang KCNA in English 0436 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—A Bangladeshi Government economic delegation led by Secretary of the Ministry of Commerce A.H.M. Mufazzal Karim, on a visit to Korea, called at the statue of the great leader President Kim Il-song on Mansu Hill Tuesday to lay a wreath and mourn his death.

Expressing Bangladeshi people's deepest condolences on the death of the great leader President Kim Il-song, the head of the delegation said that he was the great leader of the Korean people as well as the world's peaceloving people.

He hoped that the friendly and cooperative relations between the two countries, provided by President Kim Il-song, would further develop.

On the same day, Kanji Inoki, leader of the sports peace party and member of the House of Councillors of Japan, who is the world professional wrestling champion, and his party and Hajime Fukata, member of the Central Executive Committee and director of the organizational department of the Japan Social-democratic Party and member of the House of Councillors, laid bouquets before the statue of President Kim Il-song on Mansu Hill and paid a moment's silent tribute to his memory.

The guests arrived here by air on Sept. 6.

Family of Late Feng Zhongyun Arrives

SK0709000294 Pyongyang KCNA in English 2208 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—The family of the late Feng Zhongyun who participated in the anti-Japanese revolutionary struggle arrived in Pyongyang on September 6.

Visits Kim Il-song Statue

SK0709054294 Pyongyang KCNA in English 0433 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—The family of the late Feng Zhongyun, who participated in the anti-Japanese revolutionary struggle, visited the statue of the great leader President Kim Il- song on Mansu Hill in Pyongyang Tuesday.

They laid a bouquet before the statue and paid a silent tribute to his memory.

Xue Wen, the widow of Feng Zhongyun, said that President Kim Il- song built such a developed country as today through a protracted and arduous struggle. "The great President Kim Il-song will remain forever in our hearts," she said.

She stressed that Korea would be built into a more wonderful country as long as it is led by the dear leader Comrade Kim Chong- il.

Chinese Friendship Delegation Arrives in Pyongyang

SK0709103894 Pyongyang KCNA in English 1024 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—A friendship delegation of the Yanbian Korean Autonomous County People's Government in China led by its Chairman Chong Yong-chol arrived in Pyongyang today.

PRC Trade Union Delegation Returns Home

SK0609120494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Sep 94

[Text] A delegation of the All-China Federation of Trade Unions headed by Xue Zhaoyun, vice president of the Federation, today returned to its home country by airplane.

The delegation was seen off at the airport by Yi Chin-su, vice chairman of the General Federation of Trade Unions of Korea Central Committee, and charge d'affaires in the PRC Embassy in our country.

Premier Sends Congratulations to SRV Coterpart

SK0409234594 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 2 Sep 94

[Text] Administration Council Premier Comrade Kang Song-san has sent a congratulatory message to SRV Prime Minister Vo Van Kiet. In the congratulatory message, Kang sent enthusiastic congratulations on the 49th anniversary of the SRV national holiday and hopes that Von Van Kiet's future work yields results. The congratulatory message conveyed that he firmly believes that friendly relations between the two countries are developing with each passing day.

Envoy Pays Call on Mongolian Party Leader

SK0509003294 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 2 Sep 94

[Text] DPRK Ambassador Chong Yun-ho paid a courtesy call on Budragchaagiyn Dash-Yondon, general secretary of the Mongolian People's Revolutionary Party Central Committee, on 30 August.

During the meeting, the ambassador conveyed the dear leader Comrade Kim Chong-il's greetings to General Secretary Budragchaagiyn Dash-Yondon. The general secretary expressed deep gratitude, and asked the ambassador to convey his and the Mongolian People's Revolutionary Party Central Committee's greetings to the dear leader Comrade Kim Chong-il.

The general secretary said that, as in the past, the Mongolian People's Revolutionary Party supports the Korean people's struggle for the fatherland's reunification, and is happy over the fact that the DPRK-U.S. talks are being carried out successfully. He said that the Mongolian People's Revolutionary Party hopes that greater results can be achieved in the DPRK-U.S. talks.

He continued to point out that he once again expresses deep sorrow over the death of the great leader Comrade Kim Il-song. He noted that the great leader Comrade Kim Il-song is the most outstanding politician of the current era and leader of the world's revolution. He said that his death is a great loss to the Korean and Mongolian people.

He asserted that he is of the firm belief that the dear leader Comrade Kim Chong-il, who is succeeding the great leader's cause, will develop relations between the two parties and two countries of the DPRK and Mongolia. He emphasized that the Mongolian People's Revolutionary Party will make efforts to further develop relations with the Workers Party of Korea.

Russians Present Stone to Tower of Chuche Idea

SK0709053294 Pyongyang KCNA in English 0427 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—The Russian research centre of Kimchongilism donated a quality stone to the tower of the chuche idea.

A ceremony was held in front of the tower Tuesday to present the stone.

Present there was a delegation of the centre led by its chief Mikhail Konkin, on a visit to Korea.

Inscribed on the stone, dark gray natural marble, are letters "chuche-kimchongilism".

Expressing deep condolences on the death of Comrade Kim Il-song, the great founder of the chuche idea, the head of the delegation said:

The chuche idea is the philosophical thought greatest in the present era.

The great chuche idea is a man-centred doctrine that man is the master of everything and decides everything.

This great chuche idea is now being further developed and enriched by the dear leader Comrade Kim Chong-il.

We set up the research centre of Kimchongilism to propagate and disseminate this idea widely among the popular masses in Russia and are now invigorating its activities.

The quality stone presented to the tower of the chuche idea is a symbol of eternal friendship between the peoples of Russia and Korea.

Italian Friendship Delegation Returns Home

SK0609132894 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Sep 94

[Text] A goodwill visiting group of the Italian Committee for Reunification and Peace of Korea headed by (Kataeli Juliyaderza) today returned to its home country by airplane.

Italian Peace, Socialism Delegation Returns Home

SK0609115494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Sep 94

[Text] A delegation of the Italian Movement for Peace and Socialism headed by Roberto Gabriele, its general secretary, returned to its home country by airplane today.

The delegation was seen off at the airport by Hwang Chang-yop, secretary of the Workers' Party of Korea Central Committee, and other functionaries concerned.

Italian Guest Visits Kim Il-song's Statue

SK0609045894 Pyongyang KCNA in English 0433 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—Giancarlo Elia Valori, secretary general of the Italian Institute of International Relations, staying in Korea, visited again the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang Monday on the lapse of two months after his death and on the 46th founding anniversary of the Democratic People's Republic of Korea.

The guest laid a wreath before the statue of President Kim Il- song and observed a moment's silence to honor his memory.

The great leader Comrade Kim Il-song brought all happiness to the Korean people, he said, adding:

He had devoted his all to the people.

I will never forget Comrade Kim Il-song.

I will continue to visit here in the future.

The great leader will remain long in the hearts of mine and other Europeans as in the hearts of the Korean people.

Here today I paid honor to the great leader Comrade Kim Il-song with the feelings of a son who respects his father.

Comrade Kim Il-song created the great history of Korea and made the Korean people a proud people.

The revolutionary cause started by him will be successfully accomplished by the dear leader Comrade Kim Chong-il.

The cause of Comrade Kim Il-song will shine forever.

Italian Institute Delivers Gift for Kim Chong-il

SK0509104294 Pyongyang KCNA in English 1038 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—The dear leader of our party and people Comrade Kim Chong-il received a gift from Giancarlo Elia Valori, secretary general of the Italian Institute of International Relations, on a visit to Korea.

The visitor handed the gift to Kim Yong-sun, secretary of the C.C. [Central Committee], The Workers' Party of Korea.

Romanian Embassy Officials Visit Kim Il-song Statue

SK0509215694 Pyongyang KCNA in English 1523 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Romanian Ambassador to Korea Aureliu Ioan Lazar and his embassy officials today visited the statue of the great leader President Kim Il-song on Mansu Hill here and honored his memory.

They laid bouquets before the statue of President Kim Il-song and observed a moment's silence.

Noting that the great leader Comrade Kim Il-song is always with the Korean people, the ambassador said the Korean people will emerge victorious all the time as long as they are guided by dear Comrade Kim Chong-il, the supreme commander.

Military attache Ioan Parepa said that though President Kim Il-song passed away, Korea will continue to make a long drive because [words indistinct] the dear leader Comrade Kim Chong-il, a powerful party, people united in one mind and the invincible Korean People's Army.

Swedish Party Official Praises Korean Socialism

SK0509103394 Pyongyang KCNA in English 1016 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Frank Baude, chairman of the Central Committee of the Communist Party-KPML (R) [Communist Party of Marxist-Leninist Revolutionaries] of Sweden, speaking over the national television of the country, elaborated on the advantages of Korean-style socialism.

Recalling that President Kim Il-song founded the Workers' Party of Korea, the Army and the Democratic People's Republic of Korea and converted the country into a prosperous socialist industrial state, he said:

The building of socialism is successful in Korea.

All the children go to school with a universal 11-year compulsory education in force.

The working people get medical assistance without paying a penny.

And they live in wonderful dwelling houses, not knowing what the tax is like.

Korea is widely known as a country where all the people are given jobs and live with nothing to worry about.

Korea has registered big successes the kind of which cannot be seen in any other country of Asia and the world.

Korea is a splendid model to the world.

Socialism is making a long drive in Korea. The country will prosper and develop as a sovereign and independent state.

Packtusan Taekwon-do Group Formed in Madagascar

SK0409083294 Pyongyang KCNA in English 0804 GMT 4 Sep 94

[Text] Pyongyang, September 4 (KCNA)—The Paektusan Taekwon- do Association was inaugurated in Antananarivo, Madagascar on August 28.

The participants in the inaugural ceremony observed a moment's silence before the portrait of the great leader President Kim Il- song, expressing deep condolences on his death.

The chairman of the association, elected at the ceremony, said that the great leader President Kim Il-song is always with them and that the association was named after Mt. Paektu where he had waged a revolutionary struggle.

Libyan Leader Receives Pak Song-chol, Delegation

SK0609052194 Pyongyang KCNA in English 0439 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—I believe that His Excellency General Kim Chong-il will carry forward the great intention of His Excellency President Kim Il-song to lead revolution and invariably develop the friendly relations between Libya and Korea. Mu'ammar al-Qadhdhafi, leader of the great September first revolution of the great Socialist People's Libyan Arab Jamahiriya, said this when he met the government delegation of the Democratic People's Republic of Korea headed by Vice-president Pak Song-chol on September 3.

Noting that the sad news that His Excellency President Kim Il- song, the closest friend, passed away gave him a shock, the Libyan head of state said that the world lost one of great fighters.

He expressed heartfelt thanks to His Excellency General Kim Chong-il for sending a high-level government delegation to the celebrations of the 25th anniversary of the great September first revolution in Libya.

Papers Mark Anniversary of Ties With Niger

SK0609103394 Pyongyang KCNA in English 1001 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—Papers here today observe the 20th anniversary of the establishment of diplomatic ties between Korea and Niger (September 6, 1974).

Noting that the two peoples have pushed ahead with the building of a new society, supporting and cooperating with each other after the opening of diplomatic relations, a signed article of NODONG SINMUN says: Pursuing the policy of non-alignment externally, Niger has developed cooperative relations with many countries of the world.

To develop the friendly relations between Korea and Niger accords with the aspiration and desire of the two peoples striving for social progress and the development of the countries.

We will make efforts to develop the friendly relations with the Nigerian people in the future, too.

A signed article of MINJU CHOSON says the Korean people believe that the friendly and cooperative relations between the two countries will develop on good terms on the basis of the common idea of independence, peace and friendship in the future, too, as in the past.

Mozambique Politicians Laud Socialist System

SK0709000094 Pyongyang KCNA in English 2200 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—Political figures of Mozambique highly lauded the advantages of the Korean socialist system on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

Amaral Matos, first secretary of the Maputo City Committee of the Frelimo [Mozambique Liberation Front] Party, said in a statement August 23 that the truly beautiful looks of socialist Korea is the close unity of the entire people in one body.

"The chuche idea, the revolutionary idea of the great President Kim Il-song, is the source of the singlehearted unity of the Korean people and this idea is now being developed in depth by the great leader General Kim Chong-il," he added.

"We see the complete victory of socialism in the true appearance of Korea where the entire people are united in one mind on the basis of the chuche idea," he said.

Jose Fanequico Lissane, chief of the Policy Study Office of the Frelimo Party, said in a statement August 18 that the history of 46 years covered by the DPRK is that of the great victory of the chuche idea.

"It is the incomparable great feats that President Kim Il-song founded the immortal chuche idea," he stressed.

"The chuche idea that places man in the centre and makes everything serve the people, the master of the world," he said, "is, indeed, the guiding idea of revolution and construction the greatest ever in the world, and the idea of human emancipation."

New Norwegian Ambassador Arrives in 6 Sep

SK0709000594 Pyongyang KCNA in English 2208 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—The newly appointed Norwegian Ambassador to Korea, Sverre Bergh Johansen [name as received], arrived in Pyongyang on September 6.

Congolese, Mongolian Leaders Support U.S. Talks

SK0709042894 Pyongyang KCNA in English 0401 GMT 7 Sep 94

[Text] Pyongyang, September 6 (KCNA)—Chairman of the African Socialist Movement of the Congo Gerard Francois Yandza and general secretary of the Central Committee of the Mongolian People's Revolutionary Party Budragchagiyn Dashyondon recently received Korean ambassadors to their countries and expressed support to the successful progress of the talks between the Democratic People's Republic of Korea and the United States.

Gerard Francois Yandza said the affirmative agreement reached at the third round of DPRK-U.S. talks was a fruition of the principled and steadfast position and skilful diplomacy of His Excellency Kim Chong-il, the master of leadership.

Denouncing the Japanese and South Korean authorities for obstructing the progress of the talks, he said the nuclear issue of the Korean peninsula must be resolved through dialogue and negotiation between the DPRK and the U.S., not by threat, pressure and "sanctions." "Our party will as ever advance shoulder to shoulder with the Workers' Party of Korea and the Korean people," he declared.

Budragchagiyn Dashyondon said his party was glad at the successful progress of the DPRK-U.S. talks and wished the talks greater success.

Anniversary of Ties With Central Africa Marked

SK0509103194 Pyongyang KCNA in English 1002 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—NODONG SINMUN today observes the 25th anniversary of the opening of diplomatic relations at ambassadorial level between Korea and Central Africa.

The author of the article says:

The relations of friendship and cooperation between the two countries have developed on good terms and understanding and friendly feelings between the two peoples deepened in the past 25 years since the establishment of the diplomatic ties.

Visits and contacts are being made between the two countries and cooperation and exchange strengthened in different domains.

The Korean people believe that the friendly and cooperative relations between the two countries will continue to develop on the basis of the idea of independence, peace and friendship.

In the past 25 years the Central African people have made achievements in the building of a new society with their industrious labour.

Central Africa is developing friendly and cooperative relations with progressive countries of the world and striving for an independent development of Africa.

The Korean people congratulate the Central African people on their achievements in the building of a new society and extend support and solidarity for their just cause.

'Famous Works' of Kim Chong-il Studied Abroad

SK0709044094 Pyongyang KCNA in English 0419 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—A seminar on "On the Fundamentals of Revolutionary Party Building," a famous work of the dear leader Comrade Kim Chong-il, was held by the Burundian group for the study of the chuche idea.

In his report, Stanislas Nsabimana, chief of the group, said the dear leader His Excellency Kim Chong-il published the famous work to clearly indicate the way to be followed by the international communist movement and give the progressive mankind the steering wheel of the era of independence.

He further said:

"He is leading the Korean people along the road of invincibility. He has turned Korea into an invincible country that demonstrates its might of singlehearted unity to the whole world.

"He is the outstanding leader of the Korean people and the world revolutionary people."

A seminar on his work "on the chuche idea" was held by the Lebanese group for the study of the idea and theory of Comrade Kim Chong-il.

The reporter and speakers said Comrade Kim Chong-il, the successor to the cause of chuche, has perfectly grasped the immortal chuche idea founded by President Kim Il-song and developed and enriched it with energetic ideological and theoretical activities. They stressed that the chuche idea is a great revolutionary idea in the new era of history, the era of independence, that makes the working masses the masters of the world and inspires them to shape their destinies independently and creatively.

Noting that the work is the priceless revolutionary wealth and guideline, they said that without this guideline, it is impossible to properly wage the struggle for the dignity and happiness of mankind.

A lecture on the work "Our Socialism Centred on the Masses Shall Not Perish" and a seminar on the chuche idea took place at the Zairean Youth Group for the Study of the Chuche Idea and the Zairean Society for the Study of Kim Chong-il's Works and a seminar on the work "Abuses of Socialism Are Intolerable" at the State Department of Irrigation of the Ministry of Agriculture of Mozambique.

Foreign Media Carries Kim Chong-il's Famous Works

SK0609103494 Pyongyang KCNA in English 1011 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—"Our Socialism Centred on the Masses Shall not Perish," a famous work of the dear leader Comrade Kim Chong-il, was carried by the Peruvian paper EL MATUTINO.

The paper said in the preface:

In the work His Excellency Kim Chong-il, with a deep insight into the requirements of the developing time and reality, gave perfect answers to the theoretical and practical questions arising in socialist construction.

He, basing himself on the socio-historical outlook of chuche that considers the revolutionary movement with the popular masses in the centre, said socialist society is one which forms an integral whole of the leader, the party and the masses and a socio-political organism with independent viability. He also elucidated the unique idea that the cause of socialism is dynamically promoted by the driving force of the revolution.

The theories on socialism expounded by him are displaying great vitality because he has generalized the practical experience in the revolution and construction.

The Madagascan paper IMONGO VAOVAO, the Belgian paper SOLIDAIRE and the Palestinian magazine PALESTINE AL THOURA No. 579 carried his works "On the Fundamentals of Revolutionary Party Building," "Abuses of Socialism are Intolerable," "Our Socialism Centred on the Masses Shall not Perish" and "Let us March Forward Dynamically Along the Road of Socialism and Communism Under the Unfurled Banner of the Anti-Imperialist Struggle."

Indian Foreign Minister Returns Home 1 Sep

SK0409234894 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 2 Sep 94

[Text] C. Dasgupta, Indian foreign minister special envoy, who visited the DPRK, returned home by train on 1 September.

WPK Delegation Meets Nicaraguan Leaders

SK0509025494 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 2 Sep 94

[Text] Daniel Ortega Saavedra, general secretary of the Nicaragua Sandinist National Liberation Front; and Eli Altamirano Perez, general secretary of the Communist Party of Nicaragua Central Committee, received the Workers Party of Korea [WPK] delegation led by Pak Kyong-son, deputy director of a department of the party Central Committee, on 26 August.

During the meetings, the head of the delegation conveyed the great leader [widaehan yongdoja] Comrade Kim Chong-il's greetings to General Secretary Daniel Ortega Saavedra and General Secretary Eli Altamirano Perez. The general secretaries expressed deep gratitude, and asked the head of the delegation to convey their sincere greetings to the dear leader Comrade Kim Chong-il.

They respectfully wished for the dear leader Comrade Kim Chong- il's long life. While expressing deep sorrow over the death of the great leader Comrade Kim Il-song, they said that the progressive people of the world have lost the most extraordinary and respected leader [yongdoja] of the world's revolution.

They emphasized that Comrade Kim Il-song, who devoted his life to the completion of the anti-imperialist socialist cause for independence, for the strengthening of the international communist movement, and for the victory in the world's revolution, is an elder statesman of the world's politics and an extraordinary leader of the international communist movement. They also said that the noble achievements accumulated by the great leader will be elucidated eternally.

They said that they are of the firm belief that Comrade Kim Chong-il, who is the successor of the great leader Comrade Kim Il- song, will continue to wisely lead the chuche cause toward the one road of victory. They expressed firm solidarity in our people's struggle for socialist construction and the fatherland's reunification.

Foreigners Support 10-Point Reunification Plan

SK0609104194 Pyongyang KCNA in English 1020 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—A signature campaign has been conducted in the five continents to support "10-point programme of the great unity of the whole nation for the reunification of the country" advanced by the great leader President Kim Il-song.

Mr. Adolphe Nahayo, chairman of the Burundi National Olympic Committee, signed the signature paper on August 24 and said that Korea is sure to be reunified as there are His Excellency Kim Chong- il, supreme leader of the party, the state and the Army who is leading the cause of national reunification, and the 10-point programme of the great unity of the whole Korean nation, a great programme of reunification.

"We will always steadfastly stand on the side of the Korean people striving for the independent and peaceful reunification of the country and dynamically conduct the international support and solidarity movement", he added.

In Lebanon the president of the Nahda Youth Union, the secretary for external relations of the progressive youth organization, chiefs for external relations and information of the Amal movement and the managing editor of lexicography of the magazine AL HUSSAM signed the signature paper on behalf of members of their organizations.

The signature paper was also signed in Ghana by the chairman of the National Union of Students and the president of the Association of Writers, in Egypt by the dean of the faculty of women of the Ain Shams University in the name of professors, doctors, teaching staff and students, and in Ethiopia by the chief of the Addis Ababa group for the study of the chuche idea and six others on behalf of members of their organizations.

MINJU CHOSON: Kim Chong-il Advancing Chuche Ideas

SK0709103194 Pyongyang KCNA in English 1019 GMT 7 Sep 94

["Imperishable Feats in Accomplishing the Cause of Building of Chuche-Based Government"—KCNA headline]

[Text] Pyongyang, September 7 (KCNA)—The dear leader Comrade Kim Chong-il has performed undying feats in developing and enriching the great leader President Kim Il-song's idea of building a chuche- based government in compliance with the requirements of the times and the developing revolution and in strengthening and developing our people's government into an independent socialist one, declares MINJU CHOSON in a signed article today.

The government is strengthened and developed under the guidance of an outstanding leader, the article says, and goes on:

The great feats performed by the dear leader Comrade Kim Chong-il for the accomplishment of the cause of building the chuche-based government are, above all, that he has developed in depth the unique idea of government building.

The dear leader published "The Historical Lesson in Building Socialism and the General Line of Our Party," "Let Us Give Fuller Play To the Advantages of Our People's Government" and many other works, in which he gave a scientific exposition of the revolutionary essence of the socialist government, the basic principle of building the government and its activities, tasks and ways of enhancing the function and role of the socialist government. With the rare ideological and theoretical activities of the dear leader the theoretical and practical questions arising in building the socialist government have been solved in an all-round way and the practical way of perfectly establishing a new mode of managing the socialist society clarified in a scientific way.

The undying feats of the dear leader Comrade Kim Chong-il in the accomplishment of the cause of building the chuche-based government are that he made sure that the revolutionary character of the socialist government has been firmly maintained.

The dear leader said that in order to maintain its revolutionary character the socialist government should thoroughly embody the idea and guidance of the leader in its activities. He saw to it that all the government activities were conducted only in line with the leader's idea and under his guidance. Accordingly, all the activities of our government have been conducted in accordance with the idea and intention of the leader and the potentials and vitality of the socialist government increased still further.

The dear leader elucidated the principled ways that should be taken by the people's government in its struggle to accomplish the cause of socialism and wisely led the government work, so that our socialist government has been consistently strengthened and developed into a chuche-based one that is creditably discharging its noble mission of successfully building the people's paradise in this land.

Another undying feat of the dear leader Comrade Kim Chong-il is that he has remarkably enhanced the function and role of the socialist government.

The dear leader gave a scientific exposition of the content and necessity of the unitary guidance over society and its tasks and ways so that the people's power might discharge its honorable mission and role as a leading body of giving the unitary guidance over society.

Daily on Kim Chong-il's Slogan Urging Unity

SK0609055894 Pyongyang KCNA in English 0458 GMT 6 Sep 94

["For Unity of Anti-imperialist Independent Forces"—KCNA headline]

[Text] Pyongyang, September 6 (KCNA)—The great leader Comrade Kim Il-song put up the slogan calling upon the world people advocating independence to unite firmly and energetically led them to carry out the slogan. This is one of his exploits in promoting the cause of global independence. His exploits for the unity of the anti-imperialist independent forces will shine forever along with the vigorous advance of the present time, stresses NODONG SINMUN today.

The paper says in a by-lined article:

Unity is the source of invincible might of the anti-imperialist independent forces.

The great leader Comrade Kim Il-song, basing himself on a scientific penetration into the international balance of forces in our time and the law of the development of the human cause of independence, indicated the way of strengthening the unity of the anti-imperialist independent forces and ushered in a new grand history in which the progressive people of the world unite and advance on the basis of independence.

The great leader's enormous contribution to the unity of the anti-imperialist independent forces is that he put up the new internationalist slogan "The world people advocating independence, unite!" And he comprehensively indicated the principled way of carrying out the slogan.

As is clarified in the slogan, the unity of the progressive forces of the world is one of the people advocating independence. Its purpose is to eliminate all manner of domination and subjugation and realise independence.

The great leader said that in order to strengthen the unity of the world people advocating independence, the progressive countries of the world must maintain a principled stand toward imperialism.

He wisely guided our party and the DPRK Government to implement actively the idea of the foreign policy—independence, peace and friendship—and contribute to strengthening the unity of the world people advocating independence.

The slogan "The world people advocating independence, unite!" Is displaying a great vitality as a universal slogan guiding the international movement of our time.

Article on Creation of Chuche-Based Opera Published

SK0509050194 Pyongyang KCNA in English 0439 GMT 5 Sep 94

["Guideline Indicating Way For Development of Chuche-based Opera Art"—KCNA headline]

[Text] Pyongyang, September 5 (KCNA)—NODONG SINMUN Sunday carried an article entitled "The Guideline Which Indicated Way For Development of Chuche-based Opera Art" on the lapse of 20 years since the dear leader Comrade Kim Chong-il published "On the Art of Opera", a talk to creative workers in the field of literature and art on September 4-6, 1974.

The paper said Comrade Kim Chong-il kindled the flame of making a revolution in the creation of operas after he successfully carried out the revolution in filmdom under a far-sighted plan for innovation in literature and art.

The dear leader published the famous work "On the Art of Opera" to develop our opera art onto a higher stage in the first half of the 70s, a historical period when the heyday of opera art began.

The work is an encyclopedia for creating the chuche-oriented operas which consummates in an overall way the socio-historical necessity to effect upswing in creating operas, principles to be maintained in it and theoretical and practical problems arising in creating revolutionary operas of "The Sea of Blood"-type, an opera of our own style, it noted, and continued:

The work clarifies that revolution should be made in content and form and all other realms of creation system and method in order to create operas of new type to meet the aspirations and demand of the popular masses.

It also expounds the principles which should be maintained in making revolution in creation of operas, the principles that chuche should be established in opera art and the party, the working-class and serve-people spirit applied, ideological and artistic qualities combined properly and speed campaign and collectivism observed in creating operas.

It elaborates on "The Sea of Blood"-type revolutionary operas of our own style.

Comrade Kim Chong-il, saying new revolutionary opera of our style is run through with revolutionary and popular contents, stressed that an opera should serve for the realization of the people's cause of independence by embodying the requirement of the communistic humanics.

He said that a fundamental change should be brought in form to suit the revolutionary content of operas representing the struggle of the working masses for independence.

Songs have been made stanzaic in the revolutionary operas of "The Sea of Blood"-type, which is of decisive significance in removing outdated and anti-popular elements in the past opera and raising its ideological and artistic value.

With songs in opera made stanzaic, it has been possible to express intensively the people's idea and emotion in a simple form.

The introduction of pangchang into "The Sea of Blood"-type opera is another great innovation in the development of opera.

Pangchang makes it possible to objectively show phases of the times and situation and the inner thought and action of characters or represent psychology of characters, thus ensuring mutual response between the stage and audience.

The work elucidates in a concrete way the theoretical and practical problems in writing libretto and all problems in opera music, dance, stage art and depiction.

The paper recalled that many operas were created to make the flower garden of chuche art beautiful in the past 20 years since the publication of the work.

Educators Lay Wreaths at Kim Il-song's Statue

SK0509220294 Pyongyang KCNA in English 1521 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Wreaths were laid on Monday before the statues of the respected leader President Kim Il-song across Korea on day of education.

Officials of the state education commission, teachers and students in Pyongyang visited the statue of President Kim Il-song on Mansu Hill in Pyongyang and laid wreaths and bouquets of flowers before the statue.

They observed a moment's silence in memory of the fatherly leader who devoted his whole life to the prosperity and development of the country and the future of the younger generation.

Educators and students in Hamhung, Chongjin, Sariwon, Haeju, Kanggye, Kaesong and other parts also called at the statues of President Kim Il-song built in their places and laid wreaths and bouquets of flowers before the statues and observed a moment's silence.

The educators and students, after laying wreaths and bouquets before the statues of President Kim Il-song, renewed their faith and will to defend and glorify the leadership feats of the respected leader and carry through the theses on socialist education and thus further exalt our socialist homeland under the wise guidance of the dear leader Comrade Kim Chong-il.

Exhibition Features Gifts Received by Kim Il-song

SK0509215994 Pyongyang KCNA in English 1513 GMT 5 Sep 94

[Text] Pyongyang, September 5 (KCNA)—Many people and foreigners are visiting every day the International Friendship Exhibition, which greeted the 16th anniversary on its opening on August 26.

The number of the visitors has sharply increased after the great leader President Kim Il-song passed away. Seeing the exhibits, they recall with yearning the popular traits of the president who conducted energetic activities for the happiness of the people to the last moment on his life and bestowed all the honour on the people.

The dear leader Comrade Kim Chong-il has said:

"The leader regards the people as his revolutionary comrade and teacher and grants them all the honor and happiness."

Preserved and exhibited in the International Friendship Exhibition as wealth for the people are more than 73,000 items of gifts which President Kim Il-song received in his lifetime from party and state leaders, heads of governments, prominent political and public figures of 169 countries.

Each gift is a treasure of national value.

Among the precious treasures from the five continents are a [word indistinct] large duplex folding screen [words indistinct], treasure box and a rocket model from Russia, [words indistinct] ancient stand, a crystal vase from Romania, a silver cigarette box, a favourite of President Ho Chi Minh, from Vietnam, crystal table from France, a large electric light work of art from Japan, a "Persia" carpet from Iran, silver tea set from Indonesia, a gold cup from Yugoslavia, a gold sword from Libya, a hunting gun from Germany, a silver kettle from Denmark, a crystal vase, silver candle sticks from Egypt, a rhinoceros horn and a stuffed lion from Zimbabwe, a crocodile-leather bag from Cuba, a stuffed crocodile from Nicaragua, polar bear leather from Canada and [word indistinct] from Australia.

The gold, silver, crystal, [words indistinct] sculptures, crafts and ornaments, embroideries and works of art are all of the world level in artistic presentation.

The ivory carving "The Old Home in Mangyongdae" from the Chinese party and state leaders is regarded as the world's best in its artistic value, which represents with delicate and exquisite workmanship the old home in Mangyongdae where the president was born and spent his childhood and its surrounding grasses and trees.

There are no small items of rare treasures including a pair of ivories weighing 110 kilograms and a ceramic oil-bottle and an oil- lamp container of ancient Greece which date back 3,500 years.

But the true value of the treasures is not their practical value and the weight of gold, silver, ivory and jewel. Each gift is imbued with the deepest reverence of mankind for President Kim Il- song, which increases its true value many fold.

The ivory carving "The Old Home in Mangyongdae" was initiated by Chairman Mao Zedong and Premier Zhou Enlai and completed by more than 90 competent sculptors in three years. To present the gift to the president on his 65th birthday, they secured best ivories and sent several artists to Mangyongdae for a 20 odd-day spot survey. Seeing the gift, President Kim Il-song said that it should be handed down to the posterity as a treasure of national value in order to develop Korea-China friendship sealed in blood down through generations.

Former Polish President Jaruzelski, presenting an ancient sword to the president, which is awarded only to the national hero in Poland, praised the president who had performed great exploits for the human cause of independence as the national hero of his country.

Former head of state of Central Africa who was charmed by the idea and personality of the president presented the 110 kilogramme ivories to the president in 1977, saying that such big ivories should be possessed by a great man of the world, not by him. He had been proud of the ivories preserved in his office.

An Indian professor and his wife made a brass "wine-bottle for longevity" with more than 10,000 old copper coins that they had collected travelling their country and presented it to the president and the followers of the chuche idea collected precious shells to be used in making a gift, fighting with waves of the Indian Ocean for several months. The most plain gifts presented to the president are imbued with the warm feelings of mankind holding him in high esteem as the great man of the century.

Officials of Korea asked the president more than once to keep the gifts in his offices and residence and use them.

But the president said each time that those are gifts sent to our party and people by the world people and should be handed down to the posterity as the wealth of the people.

President Kim Il-song was such a great man who transferred to the people all the glory presented to him by the world people.

Head of a UN Development Program delegation Monica S. Magallanes after going round the exhibition on July 18, said:

"I have travelled scores of countries around the world, but have never seen such an exhibition. Every king and every president in history received gifts from others. But they made them properties of their families.

"Only President Kim Il-song bequeathed everything of his, even the gifts, to the people."

Film Show Week Marks 46th Anniversary of Nation

SK0609045094 Pyongyang KCNA in English 0427 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—A week of film show opened Monday to celebrate the 46th founding anniversary of the Democratic People's Republic of Korea.

Screening at cinema houses across the country in the week are documentary and feature films on the immortal revolutionary exploits of the respected leader President Kim Il-song, who founded the Republic, the cradle of happiness of the Korean people, and demonstrated its dignity to the world after achieving the historical cause of national liberation, and on the great leadership of our party in strengthening and developing the Republic.

Among them are documentary films "The Leader, Great Father of Our People", "The Great Leader Comrade Kim Il-song gives on-the-spot Guidance to Different Fields of the National Economy", "With the Great Brilliant Commander" and feature films "The Birth of New Government", "The Untrodden Path", "Bright Morning", "The Great Bosom", "The Nation and Destiny" and "Young Chief of Staff".

Ceremonies for opening the film week were held in provinces, cities and counties that day.

National Exhibition of Teaching Aids Opens

SK0709044394 Pyongyang KCNA in English 0422 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—A national exhibition of experimental apparatuses and teaching aids in general education was opened at the Academy of Educational Science upon the lapse of ten years since the famous work of the dear leader Comrade Kim Chong-il "On Further Developing Educational Work" was published.

More than 7,400 pieces of exhibits of some 4,000 kinds are on display, divided into provincial sections. They have been made in the domain of general education over the past ten years to contribute to further improving education by thoroughly applying the basic principles of socialist pedagogy, true to the party's policy.

Also seen there are experimental apparatuses and teaching aids of more than 540 kinds made by industrial establishments to help toward consolidating the material and technical foundations of schools and improving education.

The opening ceremony took place Tuesday.

Editorial Stresses 'Our-Style' Socialism

SK0709125594 Pyongyang NODONG SINMUN in Korean 23 Aug 94 p 1

[Editorial: "Let Us Always Glorify Socialism of Our Own Style, Which the Great Leader Built"]

[Text] All party members and workers across the country, cherishing deep in their hearts the great leader Comrade Kim Il-song's lofty will, which he expressed during his lifetime, are now vigorously waging the struggle to further glorify popular mass-centered socialism of our own style under the dear leader Comrade Kim Chong-il's leadership.

The great leader Comrade Kim Il-song built popular mass-centered socialism of our own style in which the popular masses' independent demands are thoroughly embodied. This is an immortal achievement that the great leader Comrade Kim Il-song has brought about for the era and revolution and the fatherland and people.

No matter how many years may go by and no matter how violent storms may be, we must resolutely protect and defend the socialism of our country under the banner of the chuche idea and further consolidate and develop it.

The dear leader Comrade Kim Chong-il has pointed out:

"An immortal achievement that the great leader brought about for the people is that he built our-style socialism."

Popular mass-centered socialism of our own style is the greatest accomplishment the respected and beloved leader Comrade Kim Il-song built by waging arduous struggles throughout his life. The great leader, who, shouldering the destiny of the fatherland and people, had earlier embarked on the revolutionary road, mapped out a far-reaching plan to build, on this land, a people's paradise where there is no exploitation or oppression and where the people's independent demands and desires are fully satisfied. He walked along the road of the arduous and long struggle to carry out this plan. On this road, the great leader led the two revolutionary wars and the two stages of socialist revolution to brilliant victory. He also vigorously accelerated socialist construction and, thus, liberated our people from exploitation and oppression and provided them with all conditions under which they could enjoy independent and creative lives to their hearts' content. The most superior socialist system was built on this land due to the wise leadership of the party and the leader [suryong], which led the struggle for sovereignty, independence, and socialism at the vanguard.

Popular mass-centered socialism of our own style is the cradle of our people's happiness in which the respected and beloved leader Comrade Kim Il-song's great chuche idea, wise leadership, and noble popular trait are fully embodied.

The road toward socialism of our own style, which was cultivated under the banner of the chuche idea, was not smooth. The great leader, with outstanding insights, a strong will, and tested leadership, led revolution and construction to endless upsurges, while turning adversity into advantage. All victories and achievements that were brought about in the struggle to build popular mass-centered socialism of our own style are all related to the great leader Comrade Kim Il-song's wise leadership.

Socialism of our own style, which the great leader Comrade Kim Il-song built throughout his life, is the most superior socialist system in the world under which the people's independent and creative lives are coming into full flower.

All our people, as genuine masters of state and society, are enjoying independent and creative lives to their hearts' content. The great leader Comrade Kim Il-song provided our people, who suffered mistreatment and contempt because they were weak colonial people who had no country and sovereignty, with true human dignity, rights, and happiness. This is an immortal achievement that he brought about for the fatherland and people. Having lost the great leader, our people are thankful for the great benevolence and immortal achievements by the leader [suryong], who built the most superior socialist system, and are filled with a firm resolve to eternally glorify popular mass-centered socialism of our own style.

Glorifying popular mass-centered socialism of our own style built by the great leader Comrade Kim Il-song is a noble duty that our party and people have for this era and history.

Socialism of our own style is our people's life and living. Without socialism, there cannot be happiness today and hope for the future of our people. The road of defending, protecting, and glorifying socialism of our own style is the only road to brilliantly achieve the intention cherished by the great leader in his lifetime, and is the road for our people's glorious struggle and victory.

Every one of our party members and workers is a revolutionary fighter who has enjoyed a worthwhile life in the bosom of the great leader Comrade Kim Il-song. It is the noblest sense of obligation of revolutionary fighters of the leader [suryongui] to staunchly defend and protect the socialist system that was provided by the leader of the revolution by dedicating all of his efforts and heart. It is the road to keep the pledge we made before the spirit of the departed leader. By more highly upholding the slogan of struggle "Keeping socialism is victory and abandonment of socialism is death," we should unswervingly defend, protect, and glorify popular mass-centered socialism of our own style provided by the respected leader.

All party members and workers should, above all, deeply understand immortal achievements attained by the respected leader Comrade Kim Il-song in consummating the cause of popular mass-centered socialism of our own style.

The immortal achievements made by the great leader Comrade Kim Il-song in consummating the socialist cause is the lifeline to unswervingly glorify socialism of our own style. The respected leader Comrade Kim Il-song pioneered and led our socialist cause under the banner of the chuche idea. During this period, he carried out tireless and sleepless and energetic ideological and theoretical activities. In this course, he attained precious achievements and extraordinary rich experiences.

Achievements and experiences attained by the respected leader in carrying out the socialist cause serve as everlasting assets for socialism of our own style to advance victoriously by overcoming all storms. When we push ahead with revolution and construction by firmly relying on the great leader's immortal achievements, there cannot be any difficulty that we cannot overcome, nor can there be any fortress that we cannot occupy.

All functionaries, party members, and workers should more keenly realize how great the achievements were that the great leader made for the victorious advance of the cause of socialism of our own style. We should defend and protect them as we would our own eyes.

By comprehensively embodying all the achievements made by the respected leader, we should vigorously advance and carry to accomplishment the cause of socialism of our own style according to the leader's will.

For all party members and workers to defend and glorify socialism of our own style, they should attain firmer single-hearted unity with the dear leader Comrade Kim Chong-il.

Although our people suffered a great loss on the road of struggle for socialism today, we are not pessimistic at all, but firmly believe in the invincibility of the cause of socialism of our own style, because the dear leader Comrade Kim Chong-il, the great successor to the chuche revolutionary cause, is standing on the van of our party and revolution.

The dear leader Comrade Kim Chong-il is the destiny of socialism of our own style and the ever-victorious banner. The dear comrade leader has inherited intact the respected leader's ideas, leadership traits, and noble moral character. With uncommon wisdom, ever-victorious and invincible leadership, and iron-clad will, he is wisely leading the struggle to carry to accomplishment the cause of socialism of our own style as our van.

Because there is the dear comrade leader, who has attained both military and literary achievements and who has both loyalty and filial piety, the final victory in the cause of socialism of our own style is firmly ensured. All party members and workers should cherish with ever-victorious faith that as long as there is the dear leader Comrade Kim Chong-il, the cause of socialism of our own style pioneered by the great leader will surely be victorious, and should attain firmer single-hearted unity with the party and the leader [suryong].

The single-hearted unity of the entire party and all people is an invincible source of socialism of our own style. Our socialist cause has been victoriously advanced based on single- hearted unity and, with its might, it has been able to strongly keep and glorify its dignity and honor, smashing all kinds of maneuvers by the imperialists. We can overcome all trials and difficulties—no matter how hard and complicated they may be—under any circumstance, only if we cherish the spirit of single-hearted unity. We can also defeat all powerful enemies. In the future, we must smash all challenges by the imperialists with the might of single- hearted unity and keep and consummate socialism of our own style with single-hearted unity. All party members and working people should firmly trust in and follow the dear comrade leader as defender [suhoja] of their destiny and resolutely safeguard the party and leader [suryong] by becoming rifles and bombs. Along with this, the entire party, all people, and the entire Army should only think and act according to the dear comrade leader's ideology and intent. They should more thoroughly establish the party's leadership system in the entire party and the whole society.

To safeguard, adhere to, and glorify socialism of our own style, all party members and working people should strongly arm themselves with the chuche idea and thoroughly apply it to the revolution and construction.

If socialism is the life of our people, the chuche idea is the life of socialism of our own style. The chuche idea is the ideological basis of socialism of our own style, as well as the only guiding ideology for the revolution and construction. Socialism of our own style is based on the chuche idea. It is also the chuche-oriented socialism that embodies the chuche idea.

In the early days, the great leader Comrade Kim Il-song created the chuche idea and thoroughly applied it to all sectors of the revolution and construction. Therefore, we—as was done in the past—must accelerate the socialist construction in the future, too, by cherishing the chuche idea as a guiding principle for the revolution and construction, thus upholding the great leader's [suryong] intent.

For us, the process of the socialist construction is the process of embodying the chuche idea. The socialist, communist society is a society that was transformed after the chuche idea. We must more strongly arm ourselves with the chuche idea and think and act as demanded by the chuche idea. All party members and working people should thoroughly carry out the revolution and construction on their own under the banner of the chuche idea and should solve all problems in the revolution and construction with their own might based on

The struggle to accelerate construction of socialism of our own style today is worthwhile and responsible work to brilliantly achieve the great leader's lifetime intentions and to more highly display loyalty and filial piety to the party and the leader [suryong]. All party members and workers should constantly create new miracles and feats in their work sites according to the great leader's lifetime intentions. The working class should fulfill its production tasks unconditionally and without fail, and agricultural workers should reap bumper harvests this year. Scientists and technicians should make more scientific and technological inventions that will actively contribute to consummating the cause of socialism of our own style. Thus, they should fulfill their missions and duties without fail. They should vigorously demonstrate once again our people's revolutionary spirit and indomitable moral courage in today's struggle to further glorify socialism of our own style.

For us to further glorify popular mass-centered socialism of our own style established by the great leader, we should enhance the role of party organizations.

Party organizations at each level should make party members and workers realize the superiority and preciousness of socialism of our own style, in which the chuche idea has been brilliantly embodied. Thus, party organizations should encourage them to dedicate all of their bodies and hearts to the struggle to defend, protect, and glorify socialism. In particular, party organizations should make them cherish firm faith and have resolute determination to further consolidate and develop popular mass-centered socialism of our own style by upholding the dear comrade leader.

Guiding functionaries—commanding members of the revolution—should take the lead in defending, protecting, and glorifying socialism of our own style.

Today trust in and expectation for party functionaries and the leader [suryong] are very great. Functionaries should become the standard-bearers and hands and feet in upholding the party and the leader. Party organizations should make functionaries satisfactorily carry out economic organizational work in compliance with the spirit of struggle of party members and workers who rose by turning their sorrow into strength and courage. Party organizations should become positive examples to encourage functionaries to inspire and stimulate the masses into new struggles and feats. At the same time, party organizations should make functionaries thoroughly revolutionize themselves and go into seething realities [tulkkullun hyonsilaoge] to always share destiny and joy and sorrow with the masses.

Our working class is the most revolutionary class that absolutely trusts the party and the leader and is filled with ideological determination to defend socialism by dedicating even its life. Our working class is invariably consistent and thorough in its attitude and position to uphold the party and the leader. Because we have a working class with lofty class determination and strong revolutionary spirit, we are not afraid of anything, and the socialist system in our country is impregnable. By further strengthening organizational and political work among the working class, party organizations should encourage the working class to fulfill its lofty role excellently as the vanguard and kernel in the struggle to glorify socialism of our own style.

Party organizations should, in particular, pay deep attention to the indoctrination of young men and should correctly lead them so that they become genuine successors who defend and protect socialism of our own style generation after generation according to the great leader's intention. Party organizations should widely popularize the positive examples displayed in today's practical struggle, and should further heighten the enhanced spirit of the masses to effect a new victory and advance in socialist construction.

It is the firm, unswerving will and faith of our party and people to defend, protect, and glorify socialism of our own style, which we gained with blood amid rigorous trials.

Our party and people will carry to accomplishment the cause of socialism of our own style pioneered by the great leader, in more firm unity with the dear leader Comrade Kim Chong-il.

Long live popular mass-centered socialism of our own style provided by the great leader Comrade Kim Il-song!

Kang Song-san, Choe Kwang, Others Visit Farms

SK0709033494 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 6 Sep 94

[Text] The Yonbaek plain, where the great leader Comrade Kim Il-song gave an on-the-spot guidance in August of last year, has come to enjoy an unprecedented bumper crop this year. On 5 and 6 September, party and government cadres and responsible functionaries from central organs visited various cooperative farms in the plain and met with the agricultural working people.

Comrade Kang Song-san, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and premier of the State Administration Council; Comrades Yi Chong-ok and Kim Yong-chu, members of the Political Bureau of the WPK Central Committee and vice presidents; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of the General Staff of the Korean People's Army; Comrades Kye Ung-tae and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Kim Chol-man, candidate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Yong-nim, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrades Kim Ki-nam, Kim Kuk-tae, Hwang Chang-yop, Kim Chung-nin, So Kwan- hui, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Hwan, Kim Yun-hyok, Chang Chol, and Kong Chin-tae, vice premiers of the State Administration Council; Comrade Chon Mun-sop, chairman of the State Inspection Commission of the Central People's Committee; directors of departments of the party Central Committee; chairmen of the committees and ministers of the ministries of the State Administration Council; and responsible functionaries and party secretaries from central organs visited cooperative farms in the Yonbaek plain.

The party and government cadres and responsible functionaries from central organs inspected Suwon farm and Ponghwa, (Yokkudo), and Kumsong cooperative farms in Peachon County; Haenam, Songho, Ohyon, Puhung, Palsan, and (Chontae) cooperative farms in Yonan County; and Chongchong cooperative in Chongdan County. During the inspection, they visited farm members' houses and held conversations with them.

First, Paek Pom-su, responsible secretary of the South Hwanghae provincial party committee and chairman of the South Hwanghae Provincial People's Committee, introduced the farm situation of the Yonbaek plain to the visitors.

He referred to the fact with deep emotion that during the period from the time of national liberation to the last year the great leader Comrade Kim Il-song gave on-the-spot guidance to a total of some 100 cooperative farms in South Hwanghae Province on 70-odd occasions and gave programmatic instructions there for the development of the rural economy and for the production of agriculture and that, in particular, in August of last year the great leader personally visited the Yonbaek plain where the land of South Korea is seen within a foot and presented there programmatic tasks that should be firmly adhered to in the farm work in this area.

He stressed that the dear leader Comrade Kim Chong-il has clearly elucidated the direction and method to implement the respected and beloved leader's on-the-spot guidance and sent a lot of equipment and materials necessary for agricultural production, including tractors and trucks, this year, so that farmers could do farm work scientifically and technologically.

He said that under the wise leadership of the party and the leader [suryong] and amid their concern, this year the agricultural working people in this area could do farm work, including rice transplanting and weeding, in a timely manner and with their own efforts without labor support from outside and that, as a result, this year Yonan, Paechon, and Chongdan Counties expect to increase the yield of 1,400 kilograms more of rice per chongbo [2.451 acres] and 1,200 kilograms of corn per chongbo on average as compared to last year.

After this, the visitors looked around the fields of various cooperative farms. The agricultural working people who met in a homey atmosphere with the party and government cadres and responsible functionaries from central organs sent by the dear Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and our people, said that they could achieve a bumper harvest of all crops even under unfavorable natural and weather conditions this year by farming as taught by the great leader [suryong]. They then asked the party and government cadres and responsible functionaries to report to the dear comrade leader without fail their firm determination to uphold our party by achieving the production goal of grain crops presented by the respected and beloved leader in his on-the-spot guidance and, thus, producing more grain crops.

After inspecting the cooperative farms in the Yonbaek plain, the party and government cadres and responsible functionaries from central organs realized again deep in their hearts the true meaning of the dear comrade leader's remarks that our functionaries are fortunate to have the outstanding people and renewed their firm determination to faithfully devote their lives to these outstanding people.

The visit by the party and government cadres and responsible functionaries from central organs to the cooperative farms in the Yonbaek plain and their meeting with the agricultural working people there have become an important occasion in defending and glorifying forever the great leadership achievements that the respected and beloved leader has accumulated for socialist rural construction and in thoroughly implementing the fatherly leader's lifetime instructions.

Cooperative Farms in Various Counties Fulfill Goals

SK0609034294 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 2 Sep 94

[Text] Cooperative farms in Paechon and Chongdan Counties, located in the vast Yonbaek plain, have fulfilled their wet-rice field crop goals this year. The agricultural working people in these counties, including Suwon, Kumsong, and Chongchong cooperative farms—which the great leader visited in August of last year—are working hard on fertilizing and cultivating activities on wet-rice fields in conformity with the demands of the chuche-oriented farm method by properly doing farm work with their own efforts.

This year, the agricultural working people in Paechon County quickly finished the rice transplanting activities, which they had undertaken every year with much difficulty despite the labor support of several thousand man-days. By making the best of this experience they have also done weeding work with their own efforts.

In Chongdan County, the agricultural working people assiduously cultivated rice, living on rice fields almost every day, while looking back nostalgically to the benevolent appearance of the fatherly leader, who visited rice fields in the county in August of last year and consulted with them in detail about farm work, rejoicing over the fulfilled crop situation created there.

'Bumper Crop' of Grain in Central West Area

SK0609103694 Pyongyang KCNA in English 1015 GMT 6 Sep 94

[Text] Pyongyang, September 6 (KCNA)—A bumper crop has visited the Yonbaek plain, a granary in the central western part of Korea.

It is foreseen that the grain harvest in the plain will be 78,000 more tons than last year.

The number of the farms harvesting eight tons or more from each hectare will increase by dozens.

This plain is much associated with the leadership exploits of the great leader President Kim Il-song. In August last year, he gave on-the-spot guidance to several co-op farms in Yonan, Paechon and Chongdan counties in the plain. He expressed deep satisfaction over the fact that the farmers there had done farming well as demanded by the chuche farming method and set the goal of grain production for this year, indicating the concrete orientation and ways for its attainment.

In March this year he sent to the agricultural working people in Yonbaek plain nearly 1.000 tractors, lorries and rice-transplanting machines together with chemical fertilizers.

The agricultural working people in this area turned out in carrying out his on-the-spot instructions and have made a substantial farming as required by the chuche farming method to foresee a rich harvest.

They are now pulling full weight on maize harvest, turning bitter grief at the loss of the father of the nation into strength and courage.

Power Stations in Chagang Increase Production

SK0509054294 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 1 Sep 94

[Text] Embraced with the sheer desire to brilliantly elucidate the great leader's teaching left by him, electricity producers of hydroelectric power stations in Chagang Province are vigorously kindling the fire of struggle to increase production. Thus, Kanggye youth power station, Wiwon power station, Changjagang power station, and operating work sites of small and medium-sized power stations of the province proudly demonstrated their plan of exceeding their August electricity production target.

Electricity producers of the Kanggye youth power station introduced a new type of semiconductor-style automatic voltage regulator and carried out inspection and repair work of facilities as if they are the master so that its reliability in operating the power station facilities was guaranteed, the efficiency of the hydraulic turbine was enhanced, and the output of water per tonne was enhanced. Thus, some 400,000 more than planned kilowatts of electricity were produced daily. As a result, as of 28 August, the August electricity production plan achieved innovations by recording a 4 percent increase.

Electricity producers of operating work sites of small and medium-sized power stations of the province maintained [word indistinct] in a more modern way and guaranteed full load and full operation in all power stations. Therefore, 3.6 to over 4 percent more electricity was produced in their monthly targets, thus their August target was achieved ahead of schedule.

Embraced with the blazing determination to loyally uphold the dear comrade leader's leadership through electricity production, currently, electricity producers of power stations in Chagang Province are achieving endless upsurges in electricity production and are advancing vigorously.

South Korea

Foreign Minister Meets State Department Officials

SK0709013094 Seoul YONHAP in English 0119 GMT 7 Sep 94

[Text] Washington, Sept. 6 (YONHAP)—South Korean Foreign Minister Han Sung-chu meets U.S. Secretary of State Warren Christopher and Defense Secretary William Perry Wednesday in a series of talks on the North Korean nuclear issue. They are expected to take up the desired pace of improving North Korea-U.S. and inter-Korean relations and the means to obtain transparency in Pyongyang's covert nuclear program.

The South Korean foreign minister is in Washington to coordinate bilateral positions before North Korea and the United States resume high-level negotiations Sept. 23 aimed at resolving the nuclear issue.

Han held prior talks with Assistant Secretaries of State Robert Gallucci and Winston Lord Tuesday on the overall picture before Wednesday's key meetings, Han's spokesman Chang Ki-ho said.

"The two countries affirmed once again the necessity of close coordination for a thorough and broad solution to the nuclear problem because the Sept. 23 meeting is a very important one in executing the North Korea-U.S. agreement in stages," Chang said.

The officials covered special inspections of North Korean nuclear facilities, assistance in converting Pyongyang's reactors to light-water models, and inter-Korean and North Korea-U.S. relations, the spokesman said.

"The foreign minister was told the U.S. stance for the upcoming experts' meeting with North Korea beginning Sept. 10 and he explained Seoul's position," he said. The spokesman, however, refused to elaborate on the details of the discussions.

Sources said the two sides agreed that they should supply the South Korean model of light-water reactor and that they need to secure transparency in North Korea's past nuclear activities.

On China's recent recall of its representatives from the Korean Armistice Commission, the two sides held firm that the armistice pact remains valid and that the question of its replacement with another mechanism is for South and North Korea to decide, not for North Korea and the United States, the sources said.

They agreed that any advancement in Pyongyang-Washington links should proceed simultaneously with improvement in inter-Korean relations, they said.

NUB Minister Criticizes U.S. Policy on DPRK

SK0709094294 Seoul YONHAP in English 0932 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—Deputy Prime Minister Yi Hong-ku, acknowledging that there were differences between South Korea and the United States regarding the North Korean nuclear issue, has criticized the U.S. policy toward North Korea.

Yi, concurrently minister of the National Unification Board (NUB), said at a luncheon meeting Wednesday with journalists covering the NUB that "quite a few" people in South Korea are worried that the U.S. policy is too ambiguous.

"There is criticism that the U.S. Government places too much weight on resolving the nuclear problem itself while South Korea sees the problem within a larger framework of inter-Korean relations," he said.

Yi's remarks signal a change in the attitude of the government, which has consistently denied that friction exists in the two countries' mutual cooperation system on North Korea policy.

Yi added, "the problems of the Korean peninsula should be solved by South and North Korea themselves. If someone ignores this principle, then the North Korean nuclear problem cannot be solved at all."

It is considered unusual for a senior government official to openly express dissatisfaction with U.S. policy, but the deputy prime minister has reason enough to do so, a NUB official said.

Seoul and Washington had maintained relatively close cooperation in dealing with the North Korean nuclear issue before Kim Il-song's death.

Washington wanted to keep the Nuclear Nonproliferation Treaty (NPT) intact while Seoul hoped to materialize a nuclear-free Korean peninsula.

The two sides had no difficulty finding common ground in handling the nuclear issue—that is, agreeing that efforts by the North to develop nuclear weapons should be checked.

South Korea and the United States, however, began arriving at different positions on the nuclear issue as Pyongyang continued to press its strategy of excluding Seoul from the nuclear talks while Washington focused on preserving the NPT regime, its primary concern, according to political experts.

The fact that Pyongyang has come to face a crisis in maintaining its communist system with Kim Il-song's death might have been a variable causing a split between their policies, the experts said.

Yi hinted at the two sides' difference of opinion on the North by saying, "Foreign Minister Han Sung-chu's visit to Washington was not only to discuss technical problems and ways to provide financial assistance for the building of light-water nuclear reactors but also to exchange opinions on political issues."

He also said Han and U.S. officials would have a broader discussion on the basic frame of inter-Korean relations.

This "broader discussion" could indicate the existence of differing opinions, according to the experts.

Where Seoul and Washington differ and how serious their differences may be remain unclear. "There cannot be no differences at all between the two countries, but the differences are over minor and side issues only," a government official said.

Despite such remarks, it appears that the two governments are clearly at odds over the extent that improvement in U.S.-North Korean relations should be linked to progress in inter-Korean ties.

And the two governments seem to have different views on the issue of clearing up suspicions over North Korea's past nuclear activities.

Washington is known to feel that in order to resolve the nuclear dispute with Pyongyang, U.S.-North Korean relations may have to improve at a faster pace than inter-Korean ties, at least temporarily.

While Seoul is sticking to the position that North Korea must guarantee the transparency of its past nuclear activities, Washington seems to be focusing on freezing Pyongyang's present and future nuclear activities to maintain the safeguards regime under the NPT.

When Minister Yi said that unless inter-Korean relations improved, the nuclear debate would not be settled, he must have intended to convey to the U.S. Government the message that progress in U.S.-North Korean relations must be linked to better inter-Korean ties.

In connection with this train of thought, NUB spokesman Kim Kyong-ung confirmed Seoul's stance opposing the exchange of liaison offices between North Korea and the United States as long as relations between Seoul and Pyongyang fail to improve. "The U.S. cannot establish a liaison office in Pyongyang under the present circumstances in which North Korea is bitterly slandering South Korea's top authorities and continues its policy of alienating Seoul from Washington."

Yi said that "our position on being poised to cooperate if North Korea changes its stance toward the 'negotiation-between-parties- concerned principle' is meant to call for an attitude change on Pyongyang's part."

His remarks made clear to North Korea, as well as the United States, that Seoul cannot accept the North Korean strategy of excluding South Korea and the U.S. policy which gives the impression that it follows Pyongyang's line.

Government officials, however, insist that "overinterpretation of the opinion gap between Seoul and Washington is not necessary," pointing out "the gap is not serious."

This apparently means that the gap will be bridged and mutual assistance will be confirmed through the talks between Han and Christopher.

Of more importance, however, is the concern that basic differences might have appeared in their views of the Korean peninsula after Kim Il-song's death.

Indeed, the possibility cannot be ruled out that such countries as the United States, China and Japan act behind the scenes in concert with Pyongyang's strategy of isolating South Korea.

20 Demonstrators Protest U.S. 'Trade Pressure'

SK0709103394 Seoul YONHAP in English 1019 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—About 20 members of the National Alliance for Democracy and National Unification (Chonkuk Yonhap) demonstrated in front of the U.S. Embassy in Seoul Wednesday afternoon to protest against "undue trade pressure" from the United States.

In a letter of protest delivered to the American ambassador during the demonstration, the alliance said that lately the South Korean people were enraged at the pressure put on Korea by the United States to replace government vehicles with American-made ones.

The United States should promptly withdraw "undue trade pressure" such as demands for cuts in subsidies to manufacturing firms and unconditional opening of meat and farm goods markets, the alliance said in the letter.

ROK To Support DPRK Participation in APEC

SK0509141494 Seoul MAEIL KYONGJE SINMUN in Korean 5 Sep 94 p 1

[Report by Kim Chong-hyon]

[Text] At the second round of the Asian-Pacific Economic Council [APEC] summit in Indonesia in November, the government will push ahead with 10-point proposals, including North Korea's participation in APEC as an observer.

According to relevant officials from Chongwadae [presidential offices], the Economic Planning Board, and the Ministry of Commerce, Industry and Resources on 4 September, the government held a meeting of assistant minister-level officials chaired by Pak Chae-yun, senior presidential secretary for economic affairs, on the evening of 2 September, and discussed measures for the APEC summit. At the meeting, it was agreed that at the summit, President Kim Yong-sam will propose for North Korea's participation in APEC as an observer; exemption of visas among nations within the region; conclusion of an aviation treaty among the nations within the region; regular convocation of cultural and trade exhibitions; declaration for liberalization of trade and investment for commodities with relative importance in world markets; establishment of a conference of ministers of science and technology and of research institutes, and the holding of the 1997 summit in Seoul.

Regarding this, a relevant government official revealed that Nancy Adams, deputy representative of U.S. Trade Representative, visited the ROK recently and is now discussing the contents of the proposal with relevant government officials. Deputy representative Nancy Adams requested that the ROK make a positive contribution to revitalization of APEC.

It is likely that member states will not raise specific opposition to North Korea's participation as observer since Chile has already joined the APEC as an observer. Therefore, if North Korea expresses a positive will, its participation will be realized.

The proposal stipulates that the commodities of member states, trade of which marks more than 40 percent in international markets, will be subject to liberalization of trade and investment, and 37 items marking more than 55 percent in international markets will be liberalized first.

It is expected that 17 APEC member states and top leaders from 18 countries, including Chile, will participate in the forthcoming summit. Meanwhile, the third meeting of the APEC Trade and Investment Committee and high-level officials to be held in Jakarta, Indonesia from 9 to 14 September will discuss agenda items of the November summit.

Government May Allow Reporters To Visit North

SK0709102494 Seoul YONHAP in English 1017 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—With a HANGYORE reporter's visit to North Korea Tuesday as a momentum, the government is learned reviewing a plan to allow South Korean reporters to visit North Korea provided they meet legal requirements for such visit.

Deputy Prime Minister Yi Hong-ku told reporters Wednesday the HANGYORE correspondent's entry into North Korea was made possible by his possession of permanent residentship of the United States.

"Still, we in the government have to take into account the principle of equality for other press medias," Yi said. He said no government policy has been established yet on the issue of whether to allow domestic correspondents to visit North Korea.

"At the moment we are sampling opinions on the matter from the press and other circles," Yi added.

Yun I-sang Hospitalized; Imminent Return Unlikely

SK0309081294 Seoul YONHAP in English 0216 GMT 3 Sep 94

[Text] Berlin, Sept. 2 [date as received] (YONHAP)—Eminent Korean Composer Yun I-sang, who has been wrangling with the Seoul Government over the terms of his homecoming, was abruptly hospitalized Friday [2 September] for heart trouble, making it unlikely that he will return to Korea for some time.

Yun's wife Yi Su-cha, 69, revealed that "he complained of pressure in his chest in the morning and was hospitalized right after a doctor's examination."

The 77-year-old composer has recently had serious differences with the South Korean Government over his planned visit, which may have worsened his heart ailment, she said. "Complete rest has been ordered by the doctor," she added, declining to disclose further details including where Yun is hospitalized.

Yun demanded at a press conference Thursday that the government welcome his homecoming in some form and guarantee his personal safety during his visit. The government, on the other hand, maintained that he should apologize for his pro-North Korean activities.

Both Yun and his wife are on the Korean Air passenger list for a flight departing from Frankfurt and arriving in Seoul Sunday. The reservations were reportedly made by the Ye-um Foundation, which is trying to arrange the composer's trip.

Industry Prepares for Cooperation With DPRK

SK0509063794 Seoul CHOSON ILBO in Korean 5 Sep 94 p 11

[Report by Choe Hong-sop]

[Text] Anticipating economic cooperation between the South and North, which will be on an active track when the North-U.S. talks yield substantial results, the National Federation of Medium Industry Cooperatives [NFMIC] has begun preparing for the North-related projects. It is conducting a study to find out which of the small- and medium-sized enterprises are planning to participate in the economic cooperation with the North, and is working out ways to advance into the Najin-Sonbong Free Trade Zone.

The NFMIC recently finished preparing questionnaires to be sent to its 46,000-odd member companies in order to determine which companies are planning to participate in economic cooperation with the North, with a view to making use of this information as a basic data for the small- and medium-sized enterprises' advance into the North.

These questionnaires will be mailed to each enterprise through its 150-odd cooperatives in September. In the questionnaire, the NFMIC will ask the enterprises about whether they hope to participate in economic cooperation with the North, and—in case they hope to participate—the type of participation they wish to be engaged in, the types of goods they want to deal with, and the scope they wish to be involved in.

Considering that North Korea will give preferential treatment to the businessmen whose hometowns are in North Korea, the NFMIC will find out which businessmen responding to the questionnaires come from which part of North Korea.

Also considering that it is possible for ROK's small- and medium-sized enterprises producing daily necessities—such as textile, needlework goods, and plastic goods—to advance into the Najin-Sonbong Free Trade Zone, the NFMIC is conducting a study to secure basic data on the present status of the construction of the free trade zone of North Korea.

At the same time, the NFMIC has decided to organize a council comprising about 20 people from various walks of life, such as the small- and medium-sized industry, trade industry, scholars, and mass media, in order to strengthen exchange of information and cooperation between industries and agencies concerned, in connection with economic cooperation with the North. The council is expected to hold its first meeting on 8 September.

Firms Soon To Advance Into DPRK Indirectly

SK0609005094 Seoul THE KOREA HERALD in English 6 Sep 94 p 1

[Text] The government will soon allow Korean firms to advance into North Korea indirectly through their subsidiaries incorporated overseas. The government move comes at a time when private firms from such advanced Western nations as the United States, Germany and Japan are moving to push into the reclusive country ahead of their Korean rivals.

According to business sources, the National Unification Board has already notified business organizations of its intention to partially change its stance on inter-Korean economic cooperation. The board's official stance so far has been to ban domestic firms from advancing into North Korea directly or indirectly until the North's nuclear issue is completely resolved. Even after the policy change, the board will continue to ban domestic firms from directly promoting projects in North Korea.

"The government is pushing for the policy change as a countermeasure to the attempt by Western firms to monopolize business opportunities in North Korea," an official at the Korea Foreign Trade Association (KFTA) said on condition of anonymity.

As the prospect for a resolution of the nuclear issue heightens following the Geneva meeting between the United States and North Korea last month, U.S. and other Western firms are reportedly scrambling to muscle their way into the North Korean markets.

In particular, the American Chamber of Commerce in Korea is reportedly moving to send a trade delegation consisting of a dozen or so Korean representatives of big U.S. firms to North Korea to find out whether their investments in the North will be feasible or not.

Two German business organizations are also expected to send trade missions to North Korea in the coming months in a bid to expand their presence there. They believe Pyongyang will soon open up and pursue economic cooperation with Western nations.

This situation has led many local economic experts to worry that the government ban, if left unchanged, would deprive domestic firms of most investment opportunities, the KFTA official said.

Accordingly, the Korean government began to consider allowing Korean companies incorporated in Japan, the United States and China to make inroads into the Communist country, the official added.

"In this context, the government will soon revise the regulations concerning inter-Korean trade to enable domestic firms to invest in North Korea through their wholly-owned overseas subsidiaries," he said.

The National Unification Board is expected soon to begin consultations with relevant government agencies to amend the regulations, which will not take long. Later, it will seek a revision of the present inter-Korean trade law to base the regulations on a legal ground, according to the official.

Domestic big business groups, which have many wholly-owned enterprises in Japan, China and the United States, are welcoming the government's decision as a breakthrough in inter-Korea economic cooperation. Particularly, the Samsung Business Group, which has shown a keen interest in entering the North, welcomed the expected decision. "If the government takes such a bold policy, departing from its current position, we will be able to push for our investment projects via our firms in Japan and China," said Chong Chin-chol, an official of Samsung Corp., a trading arm of the conglomerate.

According to Chong, domestic businesses hoping to invest in North Korea have strongly called on the Seoul government to stop linking inter-Korea trade with the nuclear issue in the fear that they may lag far behind Western firms in entering the North.

The Lucky-Goldstar Business Group is also greeting the expected decision as a turning point in inter-Korean economic cooperation and plans to grope for ways to carry out its investment projects in the North. "It is very well-timed in light of the move by Western firms to preempt business opportunities in North Korea," said Chang Kyong-hwan, an official of Lucky-Goldstar International Corp., a trading arm of the group.

Research Urges Building S-N 'Steel Community'

SK0509140094 Seoul MAEIL KYONGJE SINMUN in Korean 5 Sep 94 p 2

[Report by So Yang-won]

[Text] Research has revealed that it is possible for South and North Korea to expand their complementary exchange. South Korea can bring in North Korea's raw materials, such as iron ore, to process, and export its stainless steel, compound metals, and alloyed steel to North Korea.

Yi Se-jin, head of the Research Council for North Korea's Economic Development, has recently released a report entitled "The Current Status of South and North Korean Steel and Metal Industries and a Method of South-North Exchange and Cooperation in This Field" after completing a research program at the request of Pohang Iron and Steel Company. According to the report, South Korea's steel industries have the upper hand in capital and technology, while North Korea's steel industries are resource and labor-intensive. Both sides can continuously develop their steel industries in complementary cooperation based on a dividing system. After an intensive analysis of South and North Korea's trade of iron ore and steel products with Japan, the report recommends eight items, including iron ore, which belong to the sixth unit of the HS [expansion unknown] goods classification, for South Korea to bring in the country from North Korea; and thirty items, including steel products, to export to North Korea.

In particular, the report insists that when South and North Korea begin economic cooperation, they should establish a "South-North Steel Community"—like the "European Coal and Steel Community" which served as the motive of the integration of Europe—with a phased approach beginning with the transfer of facilities, followed by the enlargement of production capability, utilization of new technologies, and new investment.

'Source' Says Kim Chong-il To Be Installed 9 Sep

SK0709015794 Seoul CHOSON ILBO in Korean 7 Sep 94 p 1

[Beijing-based correspondent Pak Sung-chun]

[Text] North Korea has decided to hold a ceremony to install [chudae] Kim Chong-il as North Korean president on 9 September, the North Korean Government founding anniversary, and the ceremony to inaugurate [chwiim] him as general secretary of the Workers Party of Korea [WPK] Central Committee on 10 October, the founding anniversary of the WPK, said on 6 September a Japanese source who visited Pyongyang recently.

The source said that based on this decision, the North Korean authorities are preparing for the installation ceremony to be held on 9 September. The source said that when he visited Pyongyang, he saw at the Mansudae Production Company in Pyongyang—which produces propaganda art pieces—a placard and a large portrait of Kim Chong-il being made to be used for the 9 September ceremony to install him as president. He said that on the placard was written "We install the dear leader Comrade Kim Chong-il as president of the DPRK," and that those who were producing the placard told him that they were making it to be used on 9 September.

Chances Said 'Slim' for 9 Sep Transfer

SK0709051994 Seoul CHUNGANG ILBO in Korean 7 Sep 94 p 2

[Report by Kim Tu-u]

[Text] Regarding the date for Kim Chong-il's succession to the state presidency, a high-level government official said on 7 September that "chances are very slim that the power transfer will take place on 9 September, the North Korean Government's founding anniversary," and added that "Kim Chong-il is most likely to assume power on 16 October, the 100th day after the mourning period for Kim Il-song's death."

Assuming that the inauguration to the presidency is not something that can be made secretly, he revealed that "the Supreme People's Assembly, the apparatus that elects the state president, has yet to be summoned and, besides, there is no sign showing that Kim Chong-il will assume power on 9 September."

The official went on to say that "chances are rather high that the post of the state president and the general secretary of the party will be announced on 16 October, the 100th day after the mourning period for Kim Il-song's death," and added that "regardless of the power transfer, it is almost certain that Kim Chong-il will be elected president."

DPRK Defector Said Not Premier's Son-in-Law

SK0609121094 Seoul YONHAP in English 1153 GMT 6 Sep 94

[Text] Beijing, Sept. 6 (YONHAP)—A senior Chinese official said recently Kang Myong-to, a North Korean who defected to South Korea by way of China last May and who claims to be the son-in-law of North Korean Premier Kang Song-san, is actually not the premier's son-in-law, according to a highly placed Western diplomatic source here on Tuesday.

The source well versed with Chinese affairs said Zhu Liang, Foreign Affairs Committee chairman of the National People's Congress, made the refutation while meeting with visiting South Korean lawmakers in Beijing last Sunday.

Zhu reportedly told the visitors that he had been well acquainted with Kang Song-san for six to seven years and he personally heard Kang say in the mid-1980s in Beijing, "I wish I had a daughter."

The legislators from Seoul—Pak Se-chik, Kim Han-kyu and Pak Myong-hwan—were there to attend the opening of an Asia-Pacific handicapped persons games.

"I don't know if Premier Kang adopted a daughter thereafter. But, it is certain that he has no biological daughter," Zhu was quoted by the source as having said.

The source said Chairman Zhu thereby expressed indirect dissatisfaction at the fact that the Seoul government disclosed Kang Myong-to's defection two months later at a time when the North Korean people were mourning over the death of Kim Il-song.

When one of the Korean lawmakers said that if the defector were not his son-in-law, then Pyongyang ought to have publicly denied it, Zhu replied, "there is an unwritten rule among senior North Korean officials that they do not counter or clarify it if some scandal or other problem involving their family members occurs," according to the source.

In his press interview on last July 27 in Seoul, Seoul authorities introduced Kang Myong-to as the son-in-law of the North Korean premier, and the defector said that in the North he heard a senior security officer say North Korea has five nuclear bombs.

Daily Reviews DPRK's Black Market Dealings

SK0509092594 Seoul KYONGHYANG SINMUN in Korean 5 Sep 94 p 8

[Report by Kim Pong-son; all numbers as published]

[Text] It has been learned that on many occasions North Korean mid-level and high-ranking officials, such as party functionaries, engage in the black market for foreign-made daily necessities, which are brought in by their relatives residing in China and Japan or by loggers in Siberia.

According to North Korean defectors and the NAEWOE News Agency, the black market for foreign-made daily necessities is conducted mainly at stores that accept foreign currency [woehwa sangjom] and peasants markets. In Pyongyang, major places of such activities are the Nagwon Store, the Taesong Department Store, and the Kyonghung Store. The major popular items are Japanese televisions, tape recorders, clothes, footwear, watches, medicine, winter clothes, bicycles, and motorcycles; Chinese cosmetics, women's scarves, cloth, and tobacco; and Russian mirror stands, motorcycles, sugar, cloth, and wheat.

In general, the prices of goods in the black market are two to 30 times as those at the local market. A color television set that costs about 1,300 won in North Korean currency [one dollar is roughly equal to two won in North Korean currency], is purchased for 8,000 to 12,000 won; a refrigerator, costing 300 won, is purchased for 8,000 to 10,000 won; and a tape recorder, costing 150 won, is purchased for 300 to 400 won. In particular, in order to secure "exchange vouchers for foreign currencies," which are essential to purchase foreign-made goods, people are conducting black-market activities using U.S. dollars or Japanese yen: $100 is sold for 6,000 won, 30 times as much as face value; and 10,000 Japanese yen is sold for 5,000 won, 25 times as much as face value. The majority of black-market dealers are Chinese residing in North Korea. They obtain foreign-made goods from North Korean residents [as published] or from their relatives residing in continental China, and sell those goods, while earning a commission.

Chinese residing in North Korea act as black-market dealers because if they are detected, their punishment would be light, and they are freer than North Koreans to travel. Unlike North Koreans, they can easily obtain a permission number to travel by paying 400 won to the local branch offices of the Foreign Affairs Office of the State Security Department [kukga powibu] when they are traveling from provincial regions to Pyongyang.

When they detect black-market activities involving their residents, the North Korean authorities will confiscate foreign-made goods, and investigate how residents came to obtain such goods. In case the goods are in large quantities, their owners will be subject to severe punishment, including arrest. If Chinese residents in North Korea are involved, the authorities will only confiscate the goods and inform the Chinese Embassy only of Chinese who have been detected frequently. According to testimonies by North Korean defectors, such black-market activities have created a sense of social disharmony among North Korean residents. On some occasions, they even break into and burglarize the houses of those who have been repatriated to the North from Japan or the Chinese residents.

It is known that North Korea's policy toward the Chinese residing in its territory is so conciliatory that their treatment is not distinguishable from the treatment accorded North Korean residents, but the Chinese are allowed to keep their Chinese citizenship. However, this policy is somewhat changeable. In 1990, when China disconnected oil pipelines and discontinued oil supplies, the North Korean authorities expelled 36 Chinese residents with no justifiable reason.

The observation of Chinese residents is the responsibility of the Foreign Affairs Office of the State Security Department and the Ministry of Public Security. The agency in charge of observing them is the municipal or county People's Committee. When a Chinese resident causes a problem, they are summoned to and investigated by the municipal or county People's Committee. After consultations with the Chinese Embassy, the Chinese resident involved is expelled to China, while being branded as "a disturber of the socialist order" or "a political mistake-maker."

Police Arrest Chusapa Followers in Labor Sector

SK0509081194 Seoul HANGUK ILBO in Korean 5 Sep 94 p 31

[Report by Yi Chung-chae]

[Text] The National Police Agency Security Department on 4 September arrested five persons, including Mr. Yi Pyong-sok (28, dismissed from sophomore class of Korea University), head of the Songnam Area Workers' Association (Songnohoe), who indoctrinated workers with the chuche idea and pulled the strings behind labor disputes, on charges of the violation of the National Security Law. They also booked a Mr. Kim (28) without arresting him.

The police confiscated three computers, 60 diskettes containing documents of their organization, and 10 articles carrying pro-enemy expressions to be used as evidence.

According to the police, these men, including a Mr. Kim from the chusapa [followers of the chuche ideology] group of Korea University, inaugurated Songnohoe in November 1992. Songnohoe's guiding ideology is the "national liberation and democratic revolution of the masses," and taught Kim Il-song's chuche idea to some 200 workers at the industrial complex in the Songnam area. Infusing the workers with ideological consciousness, they pulled the strings behind the labor disputes.

The apprehended men are also suspected of printing 10 kinds of pro-enemy booklets, such as their organization's organ "Ilkkot [Flower of Work], " "Nodongkkot [Flower of Labor]," and "The Society We Desire," which contains the 10-point program of the South Korean National Democratic Front.

According to the police investigation, these men pulled the strings behind the labor disputes of seven companies, including D company, in Songnam, and operated the Workers' School, Reunification School, and Functionaries' School, and indoctrinated the workers with the chuche idea to arm them with the chusapa ideology using pro-enemy booklets such as "Knowing North Korea Correctly."

PRC Reportedly Expands Economic Aid to Pyongyang

SK0709071994 Seoul YONHAP in English 0640 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—China has expanded economic aid to North Korea, including the supply of grain and petroleum, since the death of President Kim Il-song in July. NAEWOE press, the official North Korea watcher here, Tuesday quoted Heilongjiang radio as saying that "China adopted a resolution to increase aid to Pyongyang and has enlarged its supply of grain and petroleum after the death of Kim Il-song."

The radio was quoted as noting that Li Song-dae, chairman of the North's external economy commission, visited China at the beginning of July to demand more economic assistance, while the Chinese agreed to provide more grain and oil.

Meanwhile, border trade between the two nations has suffered a drastic decline this year due to Pyongyang's difficulties stemming from the row over its nuclear program and its economic slump. The figure for the first six months stood at 80 million U.S. dollars, down 46 percent from a year earlier, the radio was quoted as saying.

More PRC Ships Allowed To Dock at Pusan

SK0509124394 Seoul YONHAP in English 1056 GMT 5 Sep 94

[Text] Seoul, Sept. 5 (YONHAP)—More regular liners of the China Ocean Shipping Co. (COSCO) are allowed to make calls at the Pusan harbor, the Korea Maritime and Port Administration (KMPA) reported Monday. It said that effective immediately COSCO's vessels covering the Hong Kong-Japan-North America route are authorized to call at Pusan.

Toward the end of last year, COSCO ships running between Australia and Japan and between Hong Kong and Japan were allowed to make stops at Pusan.

Under the step taken pursuant to the agreement reached at the second Korea-China maritime meeting of last June, COSCO is expected to have three of its 3800-teu container ships serving the Hong Kong-North America route make calls at Pusan once a week by turn beginning next month.

The calls at Pusan by Chinese vessels mean COSCO takes part in transporting South Korea's export and import cargoes and also the emergence of Pusan as one of major cargo transfer harbors for Chinese liners to add to Korea's harbor revenues, a KMPA official said.

ROK in 'Awkward Position' on Russian Arms Deal

SK0709035394 Seoul YONHAP in English 0316 GMT 7 Sep 94

[Text] Moscow, Sept. 7 (YONHAP)—South Korea is poised to receive Russian weapons after Seoul and Moscow agreed recently to have Russia repay its debt to Korea partly in the form of military hardware and raw materials.

In a series of recent negotiations, the two countries agreed in principle that Russia will repay, in the form of military equipment, 45 percent of the 387.50 million U.S. dollars in principal and interest of South Korean loans which Moscow failed to redeem by last year's end.

During the negotiations, the two countries decided on a 50-50 ratio for Russia's redemption of the total debt between military hardware and raw materials, but the ratio was later adjusted to 45-55 as Russian helicopters were included in the non-military category. Accordingly, Russia's repayment in the form of weapons will run to about 180 million U.S. dollars.

Moscow showed a positive attitude toward Seoul at the talks, indicating it stood ready to provide any kind of weapon apart from nuclear arms.

For instance, Russia reportedly offered up-to-date offensive weapons like the S-300 interceptor missile, the MiG-29 fighter and submarines if South Korea wanted them. However, experts in Seoul explain that such proposals were aimed at ascertaining Seoul's intentions as far as future purchases of Russian-made arms in light of the fact that South Korea's weapons system is influenced strongly by the United States. In addition, Moscow was looking to ease in advance the expected U.S. backlash against Seoul's purchase of Russian weapons.

The experts say Moscow felt that South Korea would have solid potential as a weapons market once it bought Russian arms, and that future bilateral cooperation in the munitions field was a good possibility. But Seoul has acted with great care toward Moscow in consideration of its close relations with Washington. Nonetheless, South Korean weapons experts recognize that Russia makes several quality arms that are suitable for conditions in Korea.

The United States is reacting sensitively to the idea of Russia supplying such weapons to South Korea as S-300 missiles, MiG-29 fighters and submarines.

Sources say that Washington opposes Seoul's acceptance of such offensive weapons while expressing concern about the possibility of continued South Korean purchases. In this sense, South Korea finds itself in an awkward position between Russia and the United States, with little possibility that Seoul will introduce offensive and expensive weapons like the interceptor missiles and MiG fighters.

Under these circumstances, the South Korean Government is likely to opt for cheaper and equipment of more defensive nature including tanks and armored vehicles.

Mutual Cooperation With Bangladesh Promised

SK0309081994 Seoul YONHAP in English 0518 GMT 3 Sep 94

[Text] Dacca, Sept. 3 (YONHAP)—The prime ministers of South Korea and Bangladesh agreed Saturday [3 September] to increase bilateral cooperation to boost all economic sectors and two-way trade.

At a meeting here between South Korea's Yi Yong-tok and his Bangladeshi counterpart Begum Khaleda Zia, Yi pledged the early provision of 14 million dollars from Seoul's Economic Development Cooperation Fund to support projects in Bangladesh.

Yi, who arrived here Friday on the last leg of a three-nation tour of Asia, also told Zia that Seoul would consider providing additional funding if Dacca suggested appropriate projects in the future.

While pledging to expand South Korean grant-type aid and cooperative projects for Dacca, Yi explained Seoul's plan to allow some 1,600 Bangladeshi laborers to come to South Korea.

With regard to South Korea's expanded investment in his country, Zia disclosed that Bangladesh will improve the investment climate as soon as possible by changing investment-related laws and regulations on infrastructure such as roads, ports and communications facilities.

They also agreed to make common efforts to attain prosperity and peace in the Asian region while seeking cooperative relations between South Korea and member countries of the South Asian Association for Regional Cooperation (SAARC), in which Bangladesh plays a leading role.

The South Korean premier formally requested that Zia visit Seoul at his convenience sometime next year.

Zia reaffirmed his country's existing position of supporting South Korea's peaceful unification policy as well as denuclearization of the Korean peninsula.

Manila Urged To Secure Korean Workers' Safety

SK0509094494 Seoul YONHAP in English 0832 GMT 5 Sep 94

[Text] Seoul, Sept. (YONHAP)—The Foreign Ministry has urged the Philippine Government Monday to prevent the recurrence of a recent incident in which seven South Korean engineers were trapped between government troops and rebels in a dam construction site in Mindanao.

A ministry spokesman, expressing deep concern that the incident happened despite the Philippines' assurances of safety in the wake that threats were posed against Korean workers in the construction site last December, said the resumption of work by the South Korean firm, Shinsung Construction Corp., will be decided after Seoul receives a firm guarantee on steps by Manila.

Meanwhile, the seven Korean technicians arrived in Manila at midnight Sunday (KST) after being evacuated from their work site at a major irrigation project at 3:30 P.M. (KST) under the protection of Philippine Government officials.

The ministry and the Korean Embassy in Manila went on emergency footing last week to seek the safe return of the Koreans, trapped in a confrontation between government soldiers and armed Islamic rebel forces.

Ammunition Purchased From Canada Found Defective

SK0409032794 Seoul TONG-A ILBO in Korean 4 Sep 94 p 26

[Text] It has been learned belatedly that 5.4 million rounds of ammunition—worth 1.5 billion won in

Korean currency—for use in the 7.62-mm training-purpose machine guns for 500-MD helicopters, which the Ministry of National Defense [MND] purchased from Canada in 1992, have been found to be defective.

The MND's Special Inspection Team conducted a special inspection of the training-purpose ammunition for the entire Armed Forces in January, and found that the connecting devices of these bullets were so defective that they could not be used for helicopters. The Army Logistical Command test-fired the ammunition on three occasions from January to August, and finally determined that they were defective.

Since such ammunition cannot be used for helicopters, the MND had infantrymen use it instead.

It has been learned that the MND also held the officers concerned responsible by relieving them from their present assignments, and that the ministry has received, first of all, 50 million won in compensation for the ammunition from the trading agent—whose company name begins with K—who played a go-between role in purchasing the ammunition.

President Kim Stresses Educational Reform

SK0509081494 Seoul YONHAP in English 0747 GMT 5 Sep 94

[Text] Seoul, Sept. 5 (YONHAP)—President Kim Yong-sam on Monday emphasized the need for educational reform, particularly changes aimed at improving college education.

Noting that quality education is essential to improving the nation's global competitiveness, President Kim called for "concerted efforts to improve the qualitative standard of our colleges and universities."

The chief executive made the remarks after hearing a report on educational reform by the educational reform commission Monday at Chongwadae, the presidential office. The commission is a presidential advisory body.

The central task of the nation's educational reform is "to develop our high zeal for education into creative competitive energy," President Kim said.

He also stressed the need for enhanced autonomy in education and said, "financial expansion and institutional reform are of course important. If no changes take place in the arena of education, however, no reform can be attained."

Attending the meeting and a luncheon afterward were 24 members of the commission including chairman Yi Sok-hui, vice premier and Economic Planning Minister Chong Chae-sok, Vice Premier and Unification Minister Yi Hong-ku and Education Minister Kim Suk-hui. chief presidential secretary Pak Kwan-yong, senior presidential press secretary Chu Ton-sik and senior presidential secretary for social, educational and cultural affairs Kim Chong-nam were also present.

Further on Educational Reform Measures

SK0609010694 Seoul THE KOREA HERALD in English 6 Sep 94 p 3

[Text] The government's educational budget will be raised from this year's 3.8 percent of the gross national product (GNP) to at least five percent of GNP by 1998, according to a set of educational reform measures suggested by the Presidential Council for Educational Reform (PCER) to President Kim Yong-sam yesterday.

Under the PCER's plan designed to improve the educational situation, all five-year-old children in the country are expected to be able to take part in pre-school education at private or public educational facilities by 2005.

The government should extend the beneficiary scope of obligatory education, which currently benefits only middle school students in rural areas, to all high school students in the country by 2005, the PCER said.

Based on the projected plan, the student-per-class number will decline from the current 50 to 30 in primary, middle and high schools nationwide by 2005.

The PCER unveiled its comprehensive plan for educational reform in a briefing session which was held at the presidential office of Chongwadae yesterday.

The presidential advisory organization, which was set up in February last year, is composed of 25 members from various education-related fields, including college professors, journalists, school principals and parents. It is headed by Yi Sok-hui, chairman of the Daewoo Foundation.

The PCER designated 11 issues as most urgent for the organization to study in preparation for "future-oriented" education in the 21st century.

The 11 issues include an increase in the educational budget, a reinforcement of international competitiveness in college education, a measure to give private schools more autonomy and responsibility in education, and improvement of the college entrance system.

As part of efforts to increase the educational budget, the PCER is considering some measures in which the government will establish additional education taxes in the government's taxation list and will also seek ways to push private financial resources into the educational field through donations, officials of the PCER said.

The government will encourage the Education Ministry to readjust priorities in the existing education budget expenditure in consideration of the importance of educational investment into administrative matters, they said.

The issuing of educational bonds to the public to raise an educational fund is under study by the PCER which will hold public hearings to collect opinions about the comprehensive reform plan from people around October this year.

To give more autonomy to private schools, the PCER will work out steps to ease or lift various regulations imposed on them in educational administration in order to guide the private educational institutes to have an academic character different from public schools.

The private schools are expected to receive tax breaks in financial matters and to be allowed to run more school development funds and sponsorship under the guidance of the Education Ministry.

According to the PCER's plan, the government will increasingly give a free hand to private middle and highs schools that want to select freshmen and to fix tuition fees independent from public schools, and to run their curriculum on their own.

'Biased' Personnel Management Occurring in Army

SK0509095694 Seoul HANGYORE SINMUN in Korean 5 Sep 94 p 1

[Report by Kim Song-kol: "Partial Personnel Management in Military"]

[Text] Following monopolization of important military posts by "Hanahoe" [club composed of ROK Military Academy graduates] members and "9.9 camp" [group composed of members of the 9th Regiment of the 9th ROK Infantry Division which was once commanded by former President No Tae-u] members during the past military regimes, the important military positions have been filled with general officers, who have formed special relations with certain figures under the Kim Yong-sam government. Thus, it was revealed that biased personnel management is still taking place within the military.

According to relevant officials in the military on 4 September, Army officers from the so-called "1.5 faction," which is made up of those who worked with General Kim Tong-chin, incumbent Army chief of staff, when he was commander of the 1st Division and 5th Corps, became commanders of important Army units, not only in Seoul and its outskirts but also in the Western front.

Some officers in the Army say that this is the result of the intent of Army chief of Staff General Kim to "place his own men" in important posts in the course of reform in military personnel administration after the new government came to office. The important posts filled by these men include lieutenant general-level commander of the Special Warfare Brigade, commander of the Capital Mechanized Corps, commanders of corps in the Western front and rear areas, and commandant of the Military Academy.

As for major general-level positions, the "1.5 faction" members are holding the commander's post in five divisions in the outskirts of Seoul and in the Western front, and the officer who worked in the regiment commanded by General Kim is now commanding a division.

Unlike the government's allegation that "with the removal of political soldiers through reform in military personnel management, the morale in the military is higher than ever before," scandals surrounding promotions and assignments have been raised ceaselessly, and even military unity has been weakened.

A high-ranking relevant military officer stated: "Unless one has served in posts close to the Army chief of staff, one cannot expect promotion to a general-grade officer." He added that by observing the promotion status for field grade officers for the past one year, he noted that those who worked in positions close to major military postholders were given priority for assignment to important posts, and capable figures were rejected.

Another relevant military officer said that redemption of former "Hanahoe" and "Aljahoe" [another private group of military academy graduates] during the upcoming personnel reshuffle this fall will be a matter of people's interest. However, there is a possibility that those affiliated with the "1.5 faction" and with these groups will be given special treatment.

Regarding this situation, Assemblyman Kang Chang-song (Democratic Party) pointed out during the National Assembly Defense Committee meeting in July that he heard that "the Army chief of staff appointed those who worked with him when he was commanding the units to important posts while disorganizing private organizations within the Army, thus forming another 'Hanahoe.'"

Chon, No Refuse To Answer on 12 Dec Coup

SK0309081094 Seoul YONHAP in English 0113 GMT 3 Sep 94

[Text] Seoul, Sept. 3 (YONHAP)—Former Presidents Chon Tu-hwan and No Tae-u are defying the prosecution's demand for answers to questionnaires on the "Dec. 12 coup d'etat-like incident" and are likely to turn in their responses late next week, their aides said Saturday [3 September]. Yi Yang-u, Chon's lawyer, said the answers would be submitted late next week at the earliest.

"The prosecution asked for the answers by today if possible, but the list of questions is long and requires specific answers," he said. "Answers cannot but-take time."

"We can't say for sure when we will have the answers ready, but it will have to be next week at best," said an aide to No. No is currently on vacation and is expected to consult with Chon about when to submit their responses.

The prosecution sent the former presidents questionnaires about the Dec. 12 incident that helped Gen. Chon

Tu-hwan and his followers grip power in the army. It requested that they reply by Sept. 22, then extended the second deadline to Aug. 26 before setting the third deadline for Saturday.

New People's Party Co-Leader Returns to Post

SK0509061094 Seoul YONHAP in English 0553 GMT 5 Sep 94

[Text] Seoul, Sept. 5 (YONHAP)—The co-chairmen of the minor opposition New People's Party agreed Monday that Rep. Kim Tong-kil will resume his post to settle internal strife over party hegemony.

During a meeting with Rep. Pak Chan-chong at Kim's residence in Seoul, the two co-leaders also agreed to push for a merger of the opposition forces after the party's national convention, while maintaining the existing leadership system for the time being.

Rep. Kim lay low last week after tendering his resignation as party co-chairman in relation to a battle over party hegemony between mainstreamers and non-mainstreamers over the new party leadership after the convention. The non-mainstream leader, Rep. Yang Sun-chik, has been insisting that he exchanged a memorandum with Rep. Kim on becoming future party chairman in return for Kim's running for the presidency.

As recently as last week, working officials from the main opposition Democratic Party had a series of behind-the-scenes contacts with minor party members to seek a grand union of the opposition camp.

At Monday's meeting, the co-chairmen also shared the view that acceptance of Rep. Kim's resignation is not a matter for the party's Supreme Council and agreed to work for party normalization before turning to other affairs.

They decided to maintain the present leadership system without competition with non-mainstreamers at the national convention slated for late September. However, it is uncertain whether the party will return to normalcy as the non-mainstreamers are expected to harp on the leadership issue.

More Foreign 'Technical Trainees' To Arrive

SK0309035894 Seoul THE KOREA HERALD in English 3 Sep 94 p 8

[Text] As announced, the government will bring in an additional number of 10,000 foreign "technical trainees" for the ailing domestic textile and footwear industries.

The Ministry of Trade, Industry and Energy (MOTIE) said yesterday that of the 10,000 workers, 6,000 are for the textile industry and the remaining 4,000 for the footwear sector. The ministry intends to bring the workers within this year, raising the total number of foreign workers to arrive here this year to 30,000. The recruitment will be carried out by the Korea Federation of Small Business, which has a contract term of two years.

According to the ministry, foreign workers are essential for the two sectors not just to bolster their international competitiveness for a short period of time. The measure was motivated more by the long-term goal of maintaining the domestic production base of the two industries to a proper level till the day when the two Koreas are either reunited or begin full-fledged economic cooperation.

The two sectors are cited by many as the most promising areas of cooperation between the two Koreas. When the production facilities now in the South are relocated to the North, they can benefit both sides.

"Till then, the existing production base should be retained, if not expanded. By putting some foreign workers into the two sectors, we can not only keep it but offer jobs to a large number of Korean workers," a ministry official said.

Foreign Manpower Import Faces Difficulties

SK0309041494 Seoul THE KOREA TIMES in English 3 Sep 94 p 3

[By staff reporter No Chun-hun]

[Text] The first-ever import of foreign man-power to cope with the shortage of industrial workforce is running into various difficulties with some trainees opting to seek more lucrative jobs.

In fact, one of the countries with which government concluded arrangements for the dispatch of industrial trainees has decided to back out, pointing out that the promised wages are way too low.

According to industrial sources, the primary problem associated with the deployment of foreign manpower here is that just over half of the 20,000 people have arrived.

Statistics at the Korea Federation of Small Business (KFSB) showed that 11,750 or 58.8 percent were processed as of the end of last month when all 20,000 should have been stationed at over 2,000 small and medium-size companies.

"The difficulty is not with our government. Government of related countries are slow in selecting and processing those to be sent here for industrial training," one KFSB official explained.

In the case of Thailand, the pertinent authorities there said they were reneging on the arrangement because the average wages of 250 U.S. dollars is too low, they added.

Indeed, the comparatively low wages, about a fourth of the average salary for Korean workers engaging in the same type of work is leading some of the foreign industrial trainees to make an illegal exit to other companies.

There have been unconfirmed reports that these workers, the number for which has yet to be properly tallied, are making 600,000-700,000 won (750-900 dollars) at unknown companies.

In June, authorities tracked down four workers from Nepal who slipped away from their designated work places and deported them, but many others are still at large, the officials said.

"The only safeguard we have against foreign workers leaving their designated work sites is a cash deposit of 100 dollars but this amount admittedly is small when compared to the higher salaries they can fetch at other companies," another KFSB official confessed.

However, the real victims of the ill-arranged deployment of foreign workers here are the small companies which have been waiting and waiting to fill their shortage in manpower.

In fact, the two companies where the four deported were supposed to have been working have yet to receive replacements. They have also not received any compensation for the unexpected lack of manpower.

More than 100 companies where workers from Thailand were to be deployed are also suffering from the continued shortage of work hands and have yet to be notified of alternative action. One company owner in Anyang, Kyonggi Province said, "It is completely irresponsible for the KFSB and the government to simply say that there is a delay or that the workers cannot be allocated as promised. We have a production schedule to keep. Something has to be done to rectify the situation."

The response to the foreign industrial trainee program is not all negative. Many a company which have employed the foreign workers are experiencing stable manufacturing due to the fact that the trainees work hard and do not resort to such headaches as labor union activities.

On top of this, the relatively low wages for the foreign workers is allowing the companies to enhance their international competitiveness and thus contribute to enhancing the nation's exports.

For its part, the KFSB said the remaining 8,000-odd workers should arrive and be dispatched to promised industrial sites before the end of the month. It is also seeking foreign workers from abandoning their designated work sites for more lucrative pay.

On top of this, the relatively low wages for the foreign workers is allowing the companies to enhance their international competitiveness and thus contribute to enhancing the nation's export. [sentence as published]

Poll on Seriousness of Leftism in Country

SK0309114094 Seoul CHUNGANG ILBO in Korean 2 Sep 94 pp 1, 3

[Text] Eight out of 10 people feel the left-leaning tendency in our country is serious. Still, they think it would be better for the government to bring to an end to its vigorous investigation of the chuche elements as soon as possible .

Half the people feel the remarks by Sogang University President Pak Hong about chuche elements were correct, but still worry that the government's hard-line policy toward chuche elements may possibly extend to suppressing those who are merely critical of the government.

On 30 August, CHUNGANG ILBO conducted a nationwide poll of 1,000 men and women over 20 years in, excluding only those who live in Cheju Province. The results of the poll show 77.2 percent feel the left-leaning tendency is "serious" (22.5 percent say it is very serious, and 51.7 percent say it is serious); 20.9 say it is "not serious" (19.6 percent say it is not that serious, and 1.3 percent say it is not serious at all).

With regard to the remarks by President Pak Hong about chuche elements, 54.1 percent feel they are "correct," while 31.2 percent feel they are "correct but he went a little too far." This means 85.3 percent showed sympathy with the remarks, while only 7.7 percent feel he "made unnecessary remarks."

When asked what they think of the possibility that socialist parties may emerge at present, 55.3 percent feel it is "too early" for socialist parties to emerge, and 24.4 percent feel it "can never be allowed"; 11.5 percent feel it is "no problem."

When asked whether chuche elements in collusion with North Korea have infiltrated into news media, political parties, and religious circles, 65.3 percent respond chuche elements have, and 31.3 percent respond they have not; 57.8 percent of university students agree that chuche elements have.

In connection with the government's report that approximately 50 percent of student councils in four-year colleges nationwide are controlled by chuche elements, 45.5 percent say the figure is greater than they expected, 14.9 percent say the figure is the same as they expected, and 36.1 percent say the report was an "exaggeration." In addition, 65.6 percent of university students feel the report was an "exaggeration."

When asked what caused the emergence of chuche elements, 28.2 percent cite an inequitable distribution of wealth; 23.6 percent cite inadequate democracy; 13.8 percent cite students' intellectual curiosity; 12.7 percent cite a lack of political parties and institutions to absorb left-leaning elements; and 11.7 percent cite North Korea's strategy toward South Korea. In addition, 38.9 percent of university students cite an inequitable distribution of wealth.

With regard to the government's hard-line toward chuche elements, 35.7 percent worry the policy may possibly expand to the suppression of those who are critical of the government, while 30.6 percent feel the government must leave the matter to the self-purification capability of universities and society. Only 9.9 percent approve of the government's hard-line policy.

Also, 68.3 percent feel it would be better for the government to bring to an end its vigorous investigation of chuche elements as soon as possible; 29.3 percent feel the government must indefinitely extend its investigation until all chuche elements are rooted out.

When asked how the government's hard-line policy toward chuche elements will affect North-South relations, 57.6 percent feel it will affect relations negatively, and 38 percent feel it will not affect them. In addition, 71.4 percent of residents of Kangwon Province say the policy will negatively affect North-South relations.

Some 5,000 Members Leave Hyundai Trade Union

SK0509062294 Seoul YONHAP in English 0611 GMT 5 Sep 94

[Text] Ulsan, Sept. 5 (YONHAP)—The trade union at Hyundai Heavy Industries Co. here is suffering from internal strife as more unionists bolt in disgust at the union leadership's hard-line policy. As of noon Monday, some 5,000 unionists including over 2,000 foremen had left the union, the company said.

Last Friday the union refused to sign the labor-management agreement which the union approved in a vote held Aug. 25, instead countering with a fresh demand for payment of a full bonus for the two-months-long strike. Management rejected the new demand, saying the principle of "no-work, no-pay" does not allow for payment of a full bonus during the strike period.

Considering that over 16,000 union members had demanded an immediate halt to the work stoppage in order to normalize operations before the labor-management agreement late last month, the number of unionists leaving may increase sharply if the leadership sticks to its hawkish stance.

The union suspects the company of plotting its breakup by persuading unionsts into bolting. The company countered with an announcement that it would not subtract union membership fees averaging 8,000 won per capita monthly from the September wages of those who have left the union on their own accord, even though the union does not recognize their departure.

The union is meeting Monday afternoon to decide its course of action, as a meeting held Sunday afternoon failed to reach any conclusion.

Labor Dispute Continues

SK0609071994 Seoul YONHAP in English 0554 GMT 6 Sep 94

[Text] Ulsan, Sept. 6 (YONHAP)—Despite the resumption of normal operations at the beginning of this month, Hyundai Heavy Industries Co. may be facing another round of labor strife over unsettled labor-management issues.

Labor union chairman Yi Kap-yong started an indefinite hunger strike Tuesday to press the company to compensate for reduced bonuses and implement special leaves of absence for employees. In apparent sympathy with the chairman's action, 196 unionists also went on strike for the day.

In printed leaflets, the union said its members have resolved to go on strike and join the executive members' struggle against their loss of wages.

Meanwhile, a consultative association comprising 869 unit leaders at the company's various workplaces held a press conference at Ulsan city hall Tuesday morning, disclosing that they have decided to bolt the union as "the executive members of the union are performing their duties undemocratically while staging the strike recklessly."

The association members also said they would file a complaint against the company if it accepted the union executives' demand for a repeal of Hyundai's legal action against union extremists.

As of Tuesday, the total number of unionists who had withdrawn from the union stood at some 5,000, including those who notified the union through content-certified mail.

Corporate Bonds' Value Increases by 10.6%

SK0309082594 Seoul YONHAP in English 0732 GMT 3 Sep 94

[Text] Seoul, Sept. 3 (YONHAP)—Corporate bonds guaranteed by financial institutions in the first eight months of the year totaled 7,930.7 billion won (9.9 billion U.S. dollars), up 10.6 percent from a year earlier, according to the Securities Supervisory Board. Banks accounted for 3,838.3 billion won, representing 48.4 percent of the total.

Securities houses guaranteed corporate bonds totaling 2,229.1 billion won, down 27.2 percent from the same period of last year as a result of a wider opening of the bond market to banks, insurance companies and other non-bank financial institutions.

Corporate bonds guaranteed by insurance firms and guarantee funds jumped 155.2 percent to 1,081.1 billion won and foreign bank-guaranteed bonds also increased 116.1 percent to 167.5 billion won.

Business, Financial Survey Outcome Disclosed

SK0509060394 Seoul YONHAP in English 0532 GMT 5 Sep 94

[Text] Seoul, Sept. 5 (YONHAP)—South Korean manufacturers expect a continued upturn during the fourth quarter thanks to economic recovery in developed countries, the strong yen and a steady improvement in domestic business conditions.

But small businesses are expected to suffer from a tight or even aggravated financial situation due to rising wages and raw material costs and limited access to financial institutions.

According to a survey of business and financial conditions by the Korea Credit Guarantee Fund conducted at 571 manufacturers, the business survey index came to 120 for the third quarter and 128 for the fourth quarter, indicating that the business upturn experienced in the first half will continue during the latter half of the year. The outcome of the survey was disclosed Monday.

As reasons for anticipating business improvement, 56.3 percent of those surveyed cited "increased domestic demand," 22.1 percent "increased overseas demand," 11.3 percent "improved productivity" and 5.9 percent "increased factory prices."

The upsurge will be led by makers of fabricated metal products, machinery and equipment, and petroleum and chemical products during the third quarter. In the fourth quarter, all manufacturers are likely to enjoy a balanced and strong business upturn, according to the survey.

By category of sales, export enterprises are expected to post a stronger improvement than domestic supply enterprises during the third quarter. In the fourth quarter, however, the trend is expected to reverse with domestic supply manufacturers enjoying more improvement than export enterprises.

On the other hand, the business survey index on prospects for bank loans registered 92 for the third and fourth quarters, below the 95 recorded in the second quarter, indicating more limited access to financial loans.

Private Participation in Infrastructure Encouraged

SK0309025194 Seoul THE KOREA HERALD in English 3 Sep 94 p 8, 10

[Text] The government yesterday unveiled major enforcement rules of a law for encouraging private participation in building the nation's infrastructure.

According to the rules, those projects which require investments of more than 100 billion won ($125 million) and involve two or more government ministries or provinces will be put under an interagency committee.

Also subject to the committee's jurisdiction will be projects that are partially financed by overseas loans and those in which foreigners' shares in the project exceed 50 percent.

In addition, if the government exempts the investment ceiling on certain infrastructure investments by the affiliates of the nation's 30 largest conglomerates, such projects will also be put under the committee's guidance. Projects which do not meet these criteria will be under related ministries, provinces or cities.

These criteria have been of local businesses' interests since the government announced a law in January to encourage more private sector money to expand the nation's inadequate infrastructure funds such as roads, expressways and ports. The law includes a package of incentives for investors, including tax breaks and other financial favors.

The enforcement ordinance also calls for specifying cost estimates for the projects and guaranteeing optimal profits for private builders.

Deputy Prime Minister Chong Chae-sok, while disclosing the draft decrees, said that once cost-calculating methods are determined, the government will be able to decide its investment portion in 1995 budget.

Under the measures, private companies will be given ownership of auxiliary facilities, such as fueling stations at airports.

The 15-member committee, to consist of related ministers and private experts, will also allow the companies to build leisure and tourist facilities alongside roads or railways to attract more business.

These decrees will be put to public debate in mid-September, confirmed next month and announced in December for implementation beginning next year, the deputy premier said.

Meeting with reporters, Chong, also minister of economic planning, expressed the government's determination to contain this year's inflation to around 6 percent, if not within the 6 percent set early this year.

"This will be a crucial month in the government's inflationary battle," he said. "If we manage to curb the September price rise to the 0.3 percent level, then we will be able to make it."

Noting that the government is ready with all types of anti-inflationary measures, Chong called for the people to refrain from excessive consumption and to show more frugality.

Chong said there is no need to revise upward the yearly inflationary target, even though the nation's GNP growth is expected to reach 8 percent, higher than the initial estimate of 6-7 percent.

"The nation's economy has been accustomed to growth with high inflation," the nation's top economic policymaker said. "Only when we rectify this will be able to become an advanced country."

Chong also said the government will not modify its original draft of the anti-monopoly act which calls for a drastic lowering of large businesses' investment ceiling.

As to the controversial bailout of the ill-fated construction company Hanyang Corp., Chong said the government welcomed the takeover agreement among the related parties and will soon come up with support measures.

"However, there should be no repetition of such a bailout caused by mismanagement," he said.

In view of the uncertain security situation facing Korea, the government plans to increase the defense budget to double-digit figures, the deputy premier said.

Statistics on Computer Network Users Reported

SK0409013394 Seoul THE KOREA HERALD in English 4 Sep 94 p 3

[Text] About 67 percent of the Hitel subscribers were found to live in the Seoul metropolitan areas, Korea Telecom (KT) said yesterday. According to the latest analysis of the Hitel users, those in their 20s accounted for 38 percent of the subscribers, followed by subscribers in their 30s (29 percent), and the teens and the 40s accounted for 10 percent each. In a notable result, children under age 10 amounted to 3 percent of the users.

Launched by KT in July 1992, Hitel is currently the nation's largest computer communications network. KT carried out the survey to celebrate the second anniversary of the inauguration of Hitel's paid service. The number of Hitel subscribers exceeded 461,000 as of the end of July this year.

By occupation, 34 percent of the users were salaried people, while students accounted for 29 percent. Farmers and fishermen amounted to just 1.5 percent. Among the sexes, 88 percent of the subscribers were males.

KT has set up a long-term plan to increase the number of Hitel users to 10 million persons and to offer more than 15,000 kinds of data base by 2000.

Shipbuilders Suffer Decline in Orders in 1994

SK0509060594 Seoul YONHAP in English 0540 GMT 5 Sep 94

[Text] Seoul, Sept. 5 (YONHAP)—South Korean shipbuilders have suffered a steep decline in orders, recording a 61-percent fall during the January-August period from a year earlier.

Figures supplied by the Korea Shipbuilders' Association showed Monday that orders received during the first eight months reached 2.80 million gross tons (84 orders), compared with 7.19 million gross tons (139 orders) in the corresponding period last year.

Though shipbuilding during the cited period amounted to 2.40 million gross tons, similar to the 2,07-million-gross-ton construction in 1993, August's figure stood at 120,000 gross tons, far below the monthly average of 300,000 gross tons for the January-August period. The shipbuilding slump last month was attributed to the labor dispute at Hyundai Heavy Industries Co., according to the association.

Remaining orders totaled 11.62 million gross tons as of the end of August, a rise of 13.9 percent from 10 million gross tons at last year's end, the association said.

Burma

Khin Nyunt, Delegation Leave for PRC Visit

BK0709034894 Rangoon Radio Myanmar in Burmese 0130 GMT 7 Sep 94

[Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], left on a goodwill visit of the People's Republic of China at 0700 today at the invitation of Luo Gan, secretary of the State Council of the PRC. He was seen off at the airport by Senior General Than Shwe, secretary of the SLORC and commander in chief of the Defense Services, at Yangon [Rangoon] International Airport.

SLORC Secretary-1 Lt. Gen. Khin Nyunt was also seen off at the airport by General Maung Aye, deputy chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, deputy prime ministers; Lt. Gen. Tin U, secretary-2 of the SLORC; members of the SLORC; cabinet ministers; the chief justice; the attorney general; the auditor general; deputy ministers; senior military officials from the Ministry of Defense; Mr. Qi Zhijia, charge d'affaires ad interim of the PRC Embassy and embassy officials; departmental officials; and friends and relatives.

SLORC Secretary-1 Lt. Gen. Khin Nyunt is accompanied by Lt. Gen. Thein Win, minister of transport; Brigadier General Abel, minister of national planning and economic development; U Ohn Gyaw, foreign minister; U Than Shwe, minister of industry-2; Major General Saw Lwin, commander of the Northern Command; U Aung Thaung, deputy trade minister; U Thein Sein, deputy information minister; Colonel Tin Hlaing, deputy home affairs minister; Col. Aung San, deputy construction minister; and officials from the Office of the SLORC, the Ministry of Defense; and the Ministry of Foreign Affairs.

Article Reviews PRC-Burma Military Ties

BK0209055394 Bangkok THE NATION in English 2 Sep 94 p A10

[Article by Aung Zaw: "Burmese Island Focus of Strategy Moves by China"]

[Text] The purchase by Burma's military junta of two frigates from China further intensifies the growing military relationship between the two countries as China looks to increase its influence in an area it views as strategically important.

JANE'S DEFENSE WEEKLY reported in its latest issue that it did not know when the frigates were to be delivered or whether China had agreed to arm them with missiles. Other sources, including the BBC World Service, said the purchase of the frigates has been delayed due to financial problems.

The Jianghu-class frigates are capable of being fitted with ground-to-ground missiles in a move to modernize Burma's navy. JANE'S WEEKLY noted Burma is the only state in the region whose navy does not possess such equipment. Thailand has six such vessels.

Since the Burmese military regime (Slorc) took power in 1988, relations between Rangoon and Beijing have been steadily improving. Many Chinese military delegations have visited Burma and Rangoon's high-ranking officials have made several state visits to China. Recently, Gen Li Jiulong, commander of China's Chengdu military region, visited Burma.

According to a recent report in the FAR EASTERN ECONOMIC REVIEW, Chengdu is the command headquarters and major supply base for Chinese troops in Tibet. In recent years, it has also served as the source of Chinese arms and ammunition for Burma. But the magazine noted that Gen Li is known to have paid special attention to Burma's naval facilities during his visit.

China became the Slorc's most important military ally as early as 1989. In 1990 the Chinese began to deliver military supplies, estimated by western military observers to be worth about US$1.2 billion, to Rangoon. These included F-6 and F-7 jet fighters, radar and radio equipment, surface to air missiles, tanks, armoured personnel carriers, anti-aircraft guns and naval ships. Rangoon has also bought naval vessels from Yugoslavia and, in the last two years, Burmese naval and air force officers have been sent to China and Yugoslavia for year-long training courses.

It is believed that Beijing promised to upgrade Burma's navy and air force in response to requests from Rangoon's navy, which has traditionally lagged behind the army and air force. Chinese military experts have been sent to Rangoon; according to analysts they are the first foreign military advisers to visit Burma since Ne Win took power in 1962. Reports emerged last year that the Chinese had assisted Burma to build new naval bases at Coco and Hainggyi islands in the Bay of Bengal.

This prompted analysts to comment that: "Burma's strategic location between India and Southeast Asia makes it one of the most important cards the Chinese could play in their foreign policy."

However, FAR EASTERN ECONOMIC REVIEW said Rangoon has come under pressure to allow Chinese access to three islands south of Sittwe in Western Arakan state, Coco island in the Indian Ocean, and Zedetkyi Kyun or St Matthew's island off the Tenasserim coast in the southeast.

"The last of these islands is especially sensitive, as it is located off the coast of Burma's southernmost tip, Kawthaung or Victoria Point, close to the northern entrance to the Straits of Malacca. Satellite images also indicate that a 45-metre antenna for monitoring radio traffic has been installed on Coco island," the magazine reported.

Apart from naval facilities, Rangoon in the last year has bought more than 10,000 automatic machine guns, equipment and spare-parts from China, with a total value of about US$500,000, Western military observers said. The Slorc has also bought four coastguard naval boats.

Nevertheless, Rangoon has a problem with anti-Chinese sentiment among the Burmese people, particularly soldiers and military officers. Last year some Burmese military officers were arrested for plotting the assassination of Lt-Gen Khin Nyunt, Burma's most powerful man. Their reason was that they felt the top brass had sold the country out to the Chinese.

"There is growing criticism of Chinese influence in Burma's military," a source close to Rangoon army officers said.

Myo Nyunt Speaks at National Convention

BK0309132194 Rangoon Radio Myanmar in Burmese 1320 GMT 2 Sep 94

[Speech by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission, delivered at the National Convention Plenary Session, which resumed at 0230 GMT in the Central Conference Hall in the compound of the President's Residence on Ahlone Road, Rangoon on 2 September—recorded]

[Text] Esteemed National Convention Delegates: I am greatly delighted to see that the delegates are gathering here again for the National Convention Plenary Session in good health. I also extend my best wishes for all the delegates to strive for and to be able to carry out the responsibilities of the National Convention with good mental and physical health and by joining hands together.

Esteemed National Convention Delegates, we are holding the National Convention to obtain the basic principles for drawing up a constitution, which is essential for the nation. We are acquiring good suggestions and opinions by systematic and serious discussions and coordination. Everybody knows that fundamental and far-reaching changes are taking place in the country. Concerning the political system, the country is changing from a one-party system to a multiparty democratic system; and concerning the economic system, it is now moving toward and changing to a market-oriented economy supporting the private sector from a socialist economic system, which is a centralized economic system. We have to use the social and administrative systems with basic changes in order to keep them compatible with the changing political system. Right now, while significant and serious political, economic, social, and administrative changes are taking place, the emergence of a new constitution is vital for the country. It is also essential that the new constitution which is to be drawn up is practical and compatible with the new situation, and will ensure the end of old political, economic, social, and executive systems, truly serving the interests of the public, including all the national races.

The 1947 and 1974 constitutions emerged in accordance with the times. They cannot be applied anymore because of the changing and developing situations over the years. It is also critical that the constitution which we are going to draw up for the future will exist in perpetuity and serve the interests of the country and its citizens for the long term. It is also vital for the delegates representing the political parties, elected representatives, national races, peasants, workers, intellectuals and technocrats, public service personnel, and special invitees to discuss and make suggestions for uncovering and laying down important procedures together with policies and aims for the establishment of a new country. Unity and peace will prevail in the new country only if it is established on the basis of national unity. Unity and peace are reciprocal. It is necessary for our Myanmar [Burma] to be a modern country to keep abreast in all aspects with the world community. It will become a modern country when there are considerable political, economic, social changes. That is why, the State Law and Order Restoration Council [SLORC] has given priority to and is relentlessly carrying out the national unity task. Everybody has witnessed this. If we objectively analyze the main cause for the start of a deteriorating national unity, one can clearly see the incidents which took place under the parliamentary system after 1948-49. During that period, some groups went beyond the legal framework for political, ideological, and racial reasons. Everybody knows that national unity has been deteriorating for more than 40 years—since independence. When political problem were not resolved peacefully by political means, our Defense Services had to defend the country by experiencing exhaustion and sacrificing many lives. Currently, our Defense Services constitute an organization which has been highly successful in working and planning—with magnanimity—to achieve national unity. Based on our genuine goodwill and true intention, we will continue to work for the return to the legal fold of the remaining groups in the jungle.

Esteemed National Convention Delegates, we all paid attention to the six objectives of the National Convention and tried our best to observe them during the previous National Convention. The six objectives are: a. non-disintegration of the Union, b. non- disintegration of national solidarity, c. perpetuation of national sovereignty, d. for a genuine multiparty system to flourish, e. promotion of the Lawkapala [universal] principles of justice, liberty, and equality, and f. for the Defense Services to be able to participate in the national political leadership role of the future state. They will have to be continuously and fully observed at this National Convention also. These six National Convention objectives are the imperatives for the emergence of a new democratic state. The sixth objective—for the Defense Services to be able to participate in the national political leadership role of the future state—is a matter that is truely needed for our Myanmar. The Defense Services in various countries have their own history and traditions. The differences are to do with the various countries. In particular, our Defense Services in Myanmar, which have grown up while waging a series of battles for national liberation by representing the desire of the people, are those which have always respected the people's virtue abroad. [sentence as heard]

The Defense Services have emerged along with the historical development and have always been self-sacrificial on behalf of state and its citizens. Good members of the Defense Services enjoy a solid and complete unity. Moreover, the delegates have also witnessed that the Defense Services now have a new, capability of working and planning—with great vision and magnanimity—to achieve national unity, which no one has ever seen before. Now, the responsibility for maintaining the success of the efforts to strengthen national unity lie on the shoulders of the citizens, including the Defense Services. The Defense Services, in view of what has been handed down to them, the present stance, and their role as permanent representatives of the public, will join hands and work together in an appropriate position with the people's representatives, who are to be elected—in accordance with the time—to participate in the future national political leadership role to uphold the three National Causes [non-disintegration of the union, non-disintegration of national solidarity, and perpetuation of national sovereignty] and for the emergence and development of a new stable and democratic state to achieve a straight, clear, and pleasant future path for the state.

Esteemed National Convention Delegates, during the previous National Convention Plenary Sessions, we coordinated and prescribed detailed basic principles for the state, the state structure, the head of state chapters together with 104 basic principles. It is encouraging to see that so far the acquired basic principles and detailed basic principles, which are to be prescribed, agree with the six objectives of the National Convention. During our discussions and presentation of suggestions at the present National Convention, it is vital to present the thoughts and opinions which are compatible with the six objectives of the National Convention as we did previously. Let us not discuss matters which will contradict the previous basic principles that we have already acquired. It is essential to have clear discussion and presentation of thoughts and opinions which are really necessary and which are agreeable with and suitable to the previous thoughts and opinions.

Esteemed National Convention Delegates, according to the agenda of the National Convention which will continue from today, a topic on self-administered areas, a remaining topic from the previous discussions on the state structure chapter, will have to be discussed and coordinated first. After that, the delegates will have to discuss and present the suggestions on the legislature, the executive branch, and the judiciary chapters, which are among the topics selected for the discussions. These matters do not stand alone; they are related to each other. That is why, to facilitate the delegates in coordinating and uncovering the detailed basic principles to be prescribed for these three topics—legislature, executive branch, and judiciary chapters— the chairman of the National Convention Convening Work Committee will give clarifications on various situations. Only then will the delegates have a comprehensive overview of the important basics and facts from these three topics and will be able to discuss and present suggestions in a systematic manner during the group discussions on each chapter to be held later.

Esteemed National Convention Delegates, we are the architects of the new state. That is why, while having great vision, it is vital to obtain basic principles—which are to be prescribed—that will work practically for the basic interests of the national races and people in the country. That is why it is essential for the delegates to provide good ideas and suggestions which are based on a broad, constructive spirit of unity. Moreover, it is necessary to observe the procedures of the National Convention during the discussions. In particular, I would like to request the delegates not to repeat thoughts, opinions, and expressions which are only remotely related to the topic which is to be discussed. Moreover, a point to be aware of is that the delegates have to be careful during the discussions not to attack the results of the SLORC's efforts—which have achieved a good basis for national unity. That is why, with the discussions that are going to take place from now on, the delegates are urged to strive to present suggestions that will lead to principles which will assist national unity—our immediate and long-term goal.

Esteemed National Convention Delegates, in conclusion, I would like to tell the delegates not to deviate from the six objectives of the National Convention and seek their fulfillment as much as you can. Work together with great vision, magnanimity, and patience. I urge you to fully and seriously follow the procedures of the National Convention. I conclude my speech. [applause]

Brunei, Malaysia & Singapore

Malaysia

Badawi, Jayakumar Support Enhanced Dialogue

BK0709010994 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 6 Sep 94

[Text] Malaysia and Singapore recognized the need for both countries to explain certain policies introduced in the respective countries to avoid misunderstanding.

Malaysian Foreign Minister Datuk Abdullah Haji Ahmad Badawi said both countries agreed to find ways and means to keep each other informed of these policies so that relations are not soured. He was speaking at the joint news conference in Langkawi after informal talks between Malaysian ministers and senior officers with their Singapore counterparts.

Singapore's Foreign Minister Professor S. Jayakumar said at the news conference that ministers should keep their counterparts informed of the impending changes in policies which may have an impact on the other side.

Fourth Member of Al-Arqam Group Detained

BK0709011394 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 6 Sep 94

[Text] Jailani Jasmani, press secretary of the banned al-Arqam leader Ashaari Mohammad, has been held under the Internal Security Act, ISA. Selangor police chief DCP [deputy commissioner of police] Yaacob Mohamed Amin confirmed that Jailani was detained under the act yesterday for further investigations. Jailani is believed to have been held under Section 731 of the act. He was arrested last Saturday along with four other al-Arqam members, including Ashaari's wife, at the Kuala Lumpur International Airport upon their return from Bangkok. Jailani is the fourth member of the outlaw organization to have been held under the ISA.

Police Detain 154 Burmese Illegal Immigrants

BK0309142194 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 3 Sep 94

[Text] Police have detained 154 Myanmar [Burmese] immigrants who arrived by boat at the beach near Pantai Merdeka, Kedah. However, about 30 of them managed to escape by jumping into the sea after realizing the presence of the police. Kuala Muda OCPD [officer in charge of police district] ACP [Assistant Commissioner of Police] Haji Sulaiman Yussof said the immigrants would be held temporarily at the Kuala Muda District police station. They will be sent to detention centers in Langkap in Perak, and (?Juru) in Bukit Mertajam and subsequently handed over to the Immigration Department for further action.

Deputy Minister on Yen's Affect on Economy

BK0409092194 Kuala Lumpur Voice of Malaysia in English 0600 GMT 4 Sep 94

[Text] The sharp appreciation of the Japanese yen has seriously affected the Malaysian economy. Deputy Finance Minister Senator Datuk Mustafa Mohamed pointed out that one-third of the federal government debt is in yen. This has made the country at the mercy of the Japanese. He told newsmen this after opening the one-day seminar on entrepreneurship in Bangi. He said the deputy prime minister, Datuk Sri Anwar Ibrahim, who is on an official visit to Japan, held discussions with Japanese Finance Minister M. Takamura focussing on the trade appreciation of the yen and its effect on Malaysia's debt servicing.

Malaysia now has to fork out half a billion ringgit more to service the yen loan even though its total loan denominated in yen has decreased by 4.6 percent from 679.6 billion yen to 648.3 billion yen in the first three months of the year.

Datuk Mustafa said the classic example of the sharp appreciation of the yen is the rise in the price of the national car, Proton Saga. This is because Japanese cars parts are still used.

He said that as for now the Government has no plans to borrow and it also discourages the private sector to borrow from Japan. When asked on the next course of action to be taken by the Government to relieve the burden, Datuk Mustafa said that there are no special measures to overcome the situation. The appreciation of the yen, however, has its positive side with the Japanese companies will go off-shore to stabilize their production houses since the cost to produce at home will increase. [sentence as heard]

Malaysia will have to work hard to attract Japanese investments.

Singapore

India's Rao Arrives After Vietnam Visit

BK0709102594 Delhi All India Radio Network in English 0830 GMT 7 Sep 94

[Text] India and Vietnam have signed four agreements to wind up a successful three-day official visit to Hanoi by the prime minister, Mr. P.V. Narasimha Rao. The agreements envisage cooperation in defense areas like training and servicing, avoidance of double taxation, cooperation between the two Foreign Ministries, and abolition of some visa requirements.

The two sides agreed to cooperate in low-key defense areas like training and servicing Soviet-made equipment used by both countries. It has also codified existing training slots provided to Vietnam in India's Defense Academy. Talking about the agreement, an Indian official said that it is only a framework agreement and is not aimed at any third party.

Before leaving for Singapore from Hanoi, Mr. Narasimha Rao said his trip to Vietnam had been a success and the four agreements signed today would be followed by more accords to enlarge further bilateral cooperation. Talking to a group of Vietnamese actors, writers, and translators of Indian works, Mr. Rao said there is enormous scope for more exchanges between the two countries which should be explored.

Later, in a joint statement, the Indian and Vietnamese prime ministers said they shared identical opinion on the regional and international issues of common concern. The joint statement said India welcomed the prospect of Vietnam becoming a full member of the Association of Southeast Asian Nations—ASEAN. The statement added that Vietnam supports the increasingly important role played by India in the world. It highly values India's foreign policy and its endeavors for further boosting ties with its neighbors. The Vietnamese prime minister, Mr. Vo Van Kiet, has accepted Mr. Rao's invitation to visit India.

The prime minister has since arrived in Singapore on the second leg of his Southeast Asian visit. The minister for information and the arts of Singapore, Mr. George Yeo, received him at the airport. Mr. Narasimha Rao will be given a ceremonial welcome (?in his honor) tomorrow morning. Our Southeast Asia correspondent, Nallamuthu, reports that Mr. Narasimha Rao is the first Indian prime minister to make an official visit to Singapore in 20 years.

Goh Chok Tong Opens Second New Naval Base

BK0509092794 Singapore THE STRAITS TIMES in English 3 Sep 94 p 1

[Text] Prime Minister Goh Chok Tong opened Singapore's second naval base at Tuas yesterday, and work on another naval base, at Changi, has already begun. This reflected not only the Republic of Singapore Navy's capacity for long-term planning, but Singapore's ability to look over the horizon and anticipate problems and decide what needed to be done. He said that one advantage Singapore had over many other countries was this capacity to think and plan long-term.

"In many countries, this is not possible because of frequent changes of government. Musical-chair governments are more preoccupied with the next election than the next generation. Long-term planning enables us to map out the journey while effective implementation makes sure that we arrive at the planned destination," he added.

Such planning requires vision, judgment and skill because the external environment does not remain static; neither does it change predictably like the seasons, he said.

Amid the changing and often unpredictable environment, Singapore must be quick to anticipate problems and seize opportunities.

"It helps to have a good over-the-horizon radar," he added. It had enabled Singapore to overcome great odds to become the affluent country it is today.

"When Singaporeans are pre-occupied with COEs [certificates of entitlement], weekend cars and upgrading their HDB [housing development board] homes, we cannot be doing so badly," he observed.

He said that at the national level, the leadership will hone this skill to look over the horizon. The SAF [Singapore Armed Forces] must be skillful at it, too.

He noted that the need for another naval base was recognised 12 years ago when expansion of the Brani base was not possible because of Port of Singapore Authority developments there. It was decided then that two new naval bases would be built—one in Tuas and the other at Changi—to replace the Brani base.

The prime minister, however, highlighted that decisions to meet long-term needs were not without risks, as they involved predicting the future.

He said: "If a wrong decision is made, the mistake cannot be easily rectified. But not to make a decision for fear of making a mistake is almost certainly wrong."

Having the right people in command and positions of leadership will cut this risk of mistakes, he noted. He said it was important for the RSN [Royal Singapore Navy] to attract the right talents, motivate them and reward them handsomely. More importantly, people must derive satisfaction from the jobs and be recognised for their dedication and outstanding service.

"Only then will RSN have good leaders with the vision to fulfill its heavy responsibility. Your past track record gives me confidence," he said.

Among the guests present at the opening yesterday were the Minister for Defence and Labour, Dr. Lee Boon Yang; the Minister of State for Defence and Finance, Rear-Admiral (NS) [National Service] Teo Chee Hean; the Chief of Defence Force, Lieutenant- General Ng Jui Ping and the Chiefs of Army, Navy and Air Force.

Mr. Goh did the honours by reviewing a 12-vessel sailpast through the 50 ha sea basin fronting the base.

He then unveiled and signed a commemorative plaque and was treated to a sea display with a laser show and fireworks. The highlight of the evening was the unveiling by Mr. Goh of a bronze landmark sculpture titled Valour At Sea, which depicts a ship ploughing through the waves.

He had earlier told the navy's officers and men: "It is the people, who will make the Tuas Naval Base outstanding and the RSN's fleet fighting fit. It is your foresight, heart and spirit that will decide the reputation of the Tuas Naval Base."

Cambodia

Further on Efforts To Free Western Hostages

Clashes Said Not Impeding Talks

BK0609140194 Hong Kong AFP in English 1320 GMT 6 Sep 94

[Text] Phnom Penh, Sept 6 (AFP)—Clashes between government soldiers and the Khmer Rouge in southern Cambodia near where the guerrillas are holding three western hostages were not upsetting ongoing negotiations for their release, the deputy information minister said Tuesday. Clashes were taking place as small groups of guerrillas tried to break out of the Phnum Voar (Vine

Mountain) area of southern Kampot province where the three westerners are being held, Khieu Kanharith said.

"There's no problem because they (Khmer Rouge) send troops out one way and the way we negotiate the release of the hostages is quite different. They never mention the clashes," Khieu Kanharith said, adding that most of the fighting occurred up to 10 kilometers (six miles) away from the guerrillas' base.

Government troops have tried to encircle the Khmer Rouge mountain base to try to prevent the hostages being moved out or any guerrilla reinforcements or supplies being moved in.

Frenchman Jean-Michel Braquet, Briton Mark Slater and Australian David Wilson have been detained by the guerrillas since a July 26 train ambush.

Khieu Kanharith said there had been five attempts by the Khmer Rouge to break through the government lines and that 13 guerrillas had been killed and that 22 had surrendered. A further 23 Khmer Rouge agents or part-time militia men had also defected to the government side.

The deputy information minister said he could not confirm reports of government casualties.

He said there was a possibility the leader of the Khmer Rouge captors, Commander Paet, might break with the Khmer Rouge leadership over the hostage issue.

"Now the problem is that the decision does not depend on the local commander but I think the Khmer Rouge are in great need of supplies so maybe they may decide by their own to release (the hostages). I am still optimistic about their release."

Police and local villagers told AFP in Kampot that seven policemen were killed and two injured when the guerrillas attacked a small village about five kilometers (three miles) north of Kampot town Tuesday, some 20 kilometers (12 miles) west of where the hostages are being held.

Local villagers said that one civilian had been killed and four wounded in the attack.

One guerrilla was killed in the attack and the Khmer Rouge abducted three men to carry off two wounded guerrillas. Police and military officials said there had been an upsurge in clashes since September 2.

They said the majority of recent attacks were being carried out by Khmer Rouge units probing out from Phnum Voar but also said they believed other units were trying to carry out diversionary attacks to pull government troops back from the jungle base and take the pressure off guerrillas holding the hostages.

Military officials said the main road to the capital was briefly cut Tuesday due to clashes. The road was also cut on Sunday, they said.

The government meanwhile turned down Khmer Rouge nominal leader Khieu Samphan's demands for the radical faction to be made legal again as a prelude to solving the hostage problem.

The guerrilla leader, whose demands were conveyed to the government in a letter from King Norodom Sihanouk, also requested that the Khmer Rouge liason office in Phnom Penh be opened again.

In a letter of reply to the king obtained by AFP Tuesday parliament chairman Chea Sim and co-Premiers Prince Norodom Ranariddh and Hun Sen said the Khmer Rouge's demands were irrevelant to the current situation as the guerrillas had kidnapped people and killed foreigners before they were outlawed.

"This group of people always acts inhumanely and cruelly," the co-premiers wrote.

Official Says RGC Rejects KR Demand

BK0709031594 Phnom Penh National Radio of Cambodia Network in Cambodian 0200 GMT 7 Sep 94

[Text] His Excellency Khieu Kanharit, state secretary for information, held a news conference on the latest situation in Cambodia on the afternoon of 6 September. He said: The Voice of America and AFP have reported that the king of Cambodia has asked the Royal Government of Cambodia [RGC] to agree to a request by the Khmer Rouge [KR] rebels concerning the three foreigners, who are being held hostages by the group; however, the RGC has rejected the request and will continue to maintain its stance as before.

Sixty KR members have surrendered during the past six months since the KR was outlawed.

Concerning the escape of Sin Song, his excellency said the competent authorities were in the process of tracking him down.

Further on Government Decision

BK0709073494 Hong Kong AFP in English 0722 GMT 7 Sep 94

[by Kevin Barrington]

[Text] PHNOM PENH, Sept 7 (AFP)—Cambodian co-premier Prince Norodom Ranariddh said Wednesday that giving in to the Khmer Rouge demands could assist their campaign of subversion while the rebels said government attacks were threatening the lives of three Western hostages.

"For what reason do they want to re-open their office here? It could create further terrorist activity and subversion," the prince told AFP and local journalists.

Khmer Rouge nominal leader Khieu Samphan recently demanded that the rebels be made legal again and allowed to reopen its Phnom Penh office as a prelude to solving the hostage crisis.

Khmer Rouge guerrillas are holding Frenchman Jean-Michel Braquet, Briton Mark Slater and Australian David Wilson. The three were seized in a July 26 train ambush in southern Kampot province.

The government evicted the Khmer Rouge from the capital in June following the failure of peace talks. Parliament went on to pass a bill formally outlawing the radical faction.

"Even if the National Assembly did not declare them outlawed, the Khmer Rouge would still do their traditional acts." "When their office was open they still attacked trains and kidnapped people," the prince said.

In a recent letter to King Norodom Sihanouk, Khieu Samphan critcised the government for trying to "destroy" the Khmer Rouge by attacking the guerrillas' Pailin and Anlong Veng strongholds.

"They talk about Pailin and Anlong Veng but before that they captured the Preah Vihear temple from the government," the prince said.

Khmer Rouge guerrillas seized the sacred hill-top temple which straddles the Thai border in July 1993.

The prince also criticised the guerrillas for creating a climate of insecurity that was hampering foreign aid agencies.

"Do organisations like Medecins Sans Frontiers do anything wrong? They don't provide weapons to the government. They are here to help, their only weapon is the syringe," he said.

The guerrillas' clandestine radio monitored in Bangkok, said government attacks on the Khmer Rouge in the Phnom Vour region of Kampot province threaten the lives of the hostages.

The Khmer Rouge said they were relaying a message from villagers in the area urging a peaceful solution to the problem but this tactic is often used as a front for the rebel's own views.

The attacks were "aimed not only at wiping out innocent Khmer citizens...but also at killing the three foreigners," the guerrilla radio claimed, adding that if the government troops "continue to wage war, they must take full responsibility for the consequences."

Deputy information minister Khieu Kanharit said Tuesday that negotiations to free the hostages were continuing despite the clashes.

Government officials have said that their priority was to secure the hostages safe release but at the same time they could not allow the government to become a "hostage" to Khmer Rouge demands.

Visitors to Kampot said they could not verify the reports of government attacks on Phnom Vour as the road was closed by government soldiers. One visitor said though that clashes had intensified elsewhere in the surrounding area.

Seven government police were killed and two were injured when the Khmer Rouge attacked a village five kilometers (three miles) north of Kampot provincial town, some 20 kilometers (12 miles) west of where the hostages are being held.

Military officials said they believed the guerrillas were staging diversionary attacks to pull government troops back from Phnom Vour and take pressure off the guerrillas holding the hostages.

Three government tanks had taken up positions along the main road to the capital following recent guerrilla attacks.

KR Radio Reports on Phnum Voar Fighting

BK0609140394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 6 Sep 94

[Text] The radio of the Provisional Government of National Union and National Salvation has for the third time received information from people in Kon Sat village, Kbal Romeas commune, Kampot Province, on the three foreigners and the use of force by the alliance and two-headed government in launching operations against the Phnum Voar region. Here is this third lot of information.

1. The first and second lots of information from the people in Kampot Province have already emphasized the solution to the question of the three foreigners.

2. However, the two-headed government and the alliance look down upon the people, regarding them as dirt. They are now using invading forces to attack and destroy villages and houses and to kill the people and the three foreigners, whom they say are at Phnum Voar. Meanwhile, they are jointly launching propaganda accusing the people and National Army of Democratic Kampuchea of killing the people and the three foreigners. Banking on their ample money and propaganda tools, they have carried out all sorts of deceit at will.

3. The people in Kampot Province would like to recall the fact that the aggressor Vietnamese troops have attempted to smash Phnum Voar region for nearly 10 years, but have failed. How then can the deficient two-headed elements, born from the merger of the (?pawns) of the aggressor communist Vietnamese and the Americans, seize Phnum Voar? They will never be able to seize Phnum Voar. They can only bring death to the people—young and old, male and female, and babies [words indistinct] and the foreigners.

4. Therefore, if the two-headed elements, communist Vietnam, and the alliance do not use peaceful means to solve this problem and stubbornly try to solve it through

war, they must be held fully and totally responsible for all the bad consequences in the past, now, and in the future.

KR Condemns Government Campaigns at Phnum Voar

BK0609151894 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 6 Sep 94

["Station article": "The Two-Headed Elements, Puppets of Communist Vietnamese, Launched Military Campaigns Against Phnum Voar To Crack Down on and Massacre the Innocent People; They Must Be Held Fully Responsible for the Consequences Arising From Their Criminal Acts"]

[Text] The two-headed elements, puppets of the communist Vietnamese with the support of the alliance of villains, such as the United States, Australia, and France, mobilized forces and many artillery pieces and multiple rocket launchers to launch barbarous military campaigns against Phnum Voar region.

The two-headed elements attempted to use military means to do away with the people and the three foreigners whom they say are staying in this area.

What is the outcome of these (?military) campaigns?

1. The two-headed elements fired artillery shells and multiple rockets to destroy hundreds of houses of the people. They arrested, tortured, and massacred innocent people—young and old, male and female, and babies—in a most cruel and fascist manner.

2. The people of Phnum Voar region who have suffered miserably due to the two-headed elements' military campaigns are very angry. Therefore, they have risen up and joined with the National Army of Democratic Kampuchea [NADK] in struggling valiantly against the two-headed elements through their guerrilla warfare and people's war.

3. The two-headed government cannot solve the problem of the foreigners through its fascist military means. The people in Kampot Province have time and again stressed that they want to solve all problems through peaceful means and by ending the war so that peace and stability can be restored to Cambodia. This wish does not affect anyone's interests. (?All they want is for) Cambodia to enjoy peace. But the two-headed elements, puppets of the communist Vietnamese, and the alliance of villains have resorted to military means in line with their fascist, warmongering nature. Do not forget that [words indistinct].

The two-headed elements, puppets of communist Vietnamese, who insanely launched military campaigns against Phnum Voar must be fully responsible for all the consequences arising from their criminal acts. The alliance of villains [passage indistinct] kindling war in Cambodia to avoid Cambodia from achieving national reconciliation and peace—the favorable conditions for foreigners come to invest [words indistinct].

Khmer Rouge Urges Peasants To Protect Land

BK0509013094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 2 Sep 94

["Communique" issued by the Ministry of Rural Areas, Agriculture, and Water of the Provisional Government of National Union and National Salvation on 2 September—place not given]

[Text] I. The Ministry of Rural Areas, Agriculture, and Water of the Provisional Government of National Union and National Salvation has received from peasants in the provinces, districts, communes, and villages throughout the country many letters and petitions concerning the problems of land, farmland, and rivers that they have lost due to unchecked plundering by the puppet authorities of communist Vietnam, the two-headed clique, and by the four million Vietnamese settlers. The following are the problems of the five categories of land raised by the people:

First category: Border land, consisting of rice fields, farmland, forests, small and large rivers, canals, streams, and lakes belongs to the peasants and nation. This category of land has been annexed and joined to Vietnam by the communist Vietnamese through successive treaties prepared by the communist Vietnamese and signed with their puppets since 1979.

The communist Vietnamese have removed border posts and dug canals deep inside Cambodian territory from 10 to 40 kilometers along the border stretching from Ratanakiri and Mondolkiri to Takeo and Kampot Provinces. As for the Vietnamese, they have arrived and built villages, constructed houses, carried out farming, fished, and denuded forests. The Cambodian peasants, who have farmed their land for generations, have been forced to pay taxes to the communist Vietnamese. The Vietnamese have plundered and shipped paddy and rice to their country at will.

Second category: The rice fields, farmland, and housing estates plundered by the four million ethnic Vietnamese in Cambodia. This category of land is found everywhere across the country, especially in the lower region of Phnom Penh; along the banks of Tonle Basak and Mekong Rivers up to the border of Vietnam in the east; in Takeo and Kampot Provinces; in the region east of the Mekong River in Kompong Cham, Prey Veng, and Svay Rieng Provinces; and in the region bordering Tonle Sap Lake in Kompong Chhnang, Pursat, and Battambang Provinces. These regions are all fertile and economically prosperous and abound with rice, fish, vegetables, corn, beans, tobacco, and rubber plantations. The Vietnamese, who have a larger population in these regions, have misappropriated the land, fish, forest, rubber, corn, beans, and tobacco and have systematically removed [words indistinct] and natural resources of all kinds to Vietnam. This has been the cause of the peasants' starvation every year since 1979. Even in the region abundant with rice and fish, there has been famine. The people have no right to fish at all.

After the existence of the Paris accord, UNTAC [UN Transitional Authority in Cambodia] arrived; then the two heads were born with their legs coming first. And the number of Vietnamese entering has doubled, from two to four million. This has caused the peasants to lose their rice fields and farmland increasingly and caused their standard of living to become increasingly worse.

Third category: Land plundered and misappropriated by the authorities of the communist Vietnamese puppets and two heads and turned over to their ownership and that of their clans and cronies. This category of land includes rice fields and farmland of the people in the areas under the oppressive and fascist control of the communist Vietnamese puppet authorities. Puppet leaders—ministers, provincial governors, district chiefs, military commanders, and department heads—have ordered their authorities' forces to seize the people's land and take ownership of it. Each of them has from many hundreds to many thousands of hectares of land. For instance, in Kompong Cham Province, 60 to 70 percent of the provincial land is in the hands of the communist Vietnamese puppet leaders who number not more than 6,000, including members of their families. As for the local population, whose number is about 900,000, they own only 30 to 40 percent of the provincial land.

Fourth category: Land seized and sold by the two heads and the Vietnamese puppet authorities to foreign merchants. This category of land includes rice fields, farmland, and houses of the people and the nation, especially in the suburbs of Phnom Penh city and other major cities, along strategic routes like national Route 4, and on the strip of seashore stretching from Kampot to Kompong Som and Koh Kong Provinces. The two heads and foreign merchants have kicked the people out of their houses, villages, rice fields, and farmland and planted marker stakes to seize hundreds to thousands of hectares of land in each area.

Fifth category: Land currently occupied by peasants. This includes the rice fields, farmland, housing estates, and land surrounding a house. Millions of peasants have no land. Of those who do, many of their land plots are very small—one or two small rice fields or a tiny piece of farmland—the produce from which is not enough to fill the stomach for two or three months every year.

Even though they have only small pieces of land, the peasants continue to lose them one after another. This is because the Vietnamese, who continue to flow into Cambodia as [words indistinct], have misappropriated the land at will according to a plan mapped out by the authorities of the communist Vietnamese. They seize land, villages, and houses belonging to the peasants.

In Svay Rieng Province, 80 percent of the land has been grabbed by the Vietnamese. In east Prey Veng Province, 80 to 90 percent of the land is in Vietnamese hands. In east Kandal Province, the Vietnamese are living everywhere. In east Takeo and Kampot Provinces and in the seaside Province of Koh Kong, the Vietnamese are living everywhere. And in the eastern parts of Kompong Cham, Kratie, Mondolkiri, and Ratanakiri Provinces, the Vietnamese have systematically misappropriated the natural resources of the nation and people.

Our nation and people are well aware of this problem because they have been victimized for years and have suffered permanently. But the puppets of the communist Vietnamese, the United States, and the two heads, have done nothing but plunder land for their families and for sale to the rich and to foreigners. The only thing they have done is serve the strategy of communist Vietnam, which is swallowing Cambodia as it did to Kampuchea Kraom. Those traitors of the nation and people have not even one drop of Cambodian blood.

The problem of peasants losing land, rice fields, and farmland has never been solved under the fascist authority and control of the two heads, who betray the nation, who are corrupt, and who are a lackey and puppet of the communist Vietnamese and the unscrupulous alliance. The two heads have only been busy furthering the war of aggression of the communist Vietnamese and the unscrupulous alliance endlessly to massacre the nation and people, in particular the peasants. They only think of using peasants as soldiers to fight and die in their place. They have forced peasants into serving as soldiers and militiamen to fight and die in countless numbers. As for the Vietnamese, they continue to flow into Cambodia to take over land, rice fields, farmland, employment, businesses, and the economies of both the rural and urban areas.

War has not yet ended; and while war is continuing, rice fields and farmlands continue to slip from the hands of the peasants until they have no land on which to make a living, and, subsequently, they will die of starvation.

On the one hand, the communist Vietnamese, the alliance, and the two heads continue to fan the flames of war by forcing peasants to fight and die. On the other, the communist Vietnamese and the chieftains, both civil and military, of the two-headed clique have seized the people's land completely.

II. In view of the Council of Ministers' advice, the Ministry of Rural Areas, Agriculture, and Water wishes to inform our entire nation and people, especially the peasants, about the concrete reality concerning the utter devastation of the nation's land and people and the basic policy of the Provisional Government of National Union and National Salvation [PGNUNS] concerning the land issue raised by our people in their letters and petitions as follows:

1. Land in the border region seized by the communist Vietnamese according to the treaties they have continuously signed with their puppets since 1979.

The ministry wishes to reaffirm that the PGNUNS categorically rejects and regards as null and void all border treaties concluded between communist Vietnam and its lackeys and puppets. Communist Vietnam, the communist Vietnamese puppets, and the two heads must be totally and fully responsible for their invasion and occupation of Cambodia as well as their violation of the country's territorial integrity officially recognized by the international community before 1970.

2. The land, such as rice fields, farmland, rivers, and lakes that the four million Vietnamese have arrogantly plundered from the Cambodian people, must be returned to the Cambodian nation, people, and peasants. The four million Vietnamese in Cambodia are all invading troops implementing communist Vietnam's strategy of annexing and swallowing Cambodian territory in violation of the 1949 Geneva treaty, international law, the UN Charter, and the Paris accord. Those Vietnamese settlers have no rights whatsoever over the land and water of the Cambodian nation, people, and peasants. The two heads, who actually are the authorities of communist Vietnam and the communist Vietnamese aggressors, must shoulder total and full responsibility for all adverse consequences resulting from the most criminal acts arrogantly committed by the Vietnamese settlers to plunder land, water, rice fields, farmland, rivers, and lakes of the Cambodian people.

3. The traitorous two-headed authorities, the instruments of the war of aggression by the communist Vietnamese and the unscrupulous alliance, have no rights whatsoever to seize and turn the peasants' land into their own or to sell it to the wicked foreign merchants who conduct adventurous businesses with the flesh, blood, and bones of the Cambodian nation, people, and peasants. All land plundered from the people must be unconditionally returned to them. The Cambodian people reserve the full rights over their land.

4. Concerning the land, rice fields, farmlands, rivers, and lakes currently occupied by the peasants, the PGNUNS wishes to officially and solemnly declare that the people have the absolute right to maintain ownership. The PGNUNS sides with the peasants and resolutely defends the peasants, the nation, and the people. The PGNUNS continues to join forces with the 7 million peasants to fight to protect and preserve the land, rice fields, and farmlands that belong to the peasants. The PGNUNS will hinder the plundering and misappropriation by the enemy communist Vietnamese aggressors, the communist Vietnamese puppets, and the two heads. Land, rice fields, and farmland are vital for our peasants. Peasants maintain their subsistence through their land. Without land, the peasants will starve. Only with land can the peasants make a living and gain their strength to carry on the national liberation struggle.

III. The committees in provinces, districts, communes, and villages should work jointly with the peasants to implement the forementioned policy of the PGNUNS correctly and meticulously at all times.

IV. The PGNUNS wishes to appeal to the 7 million peasants in every province, district, commune, and village throughout the country and our entire people to stand firm to terminate the aggression war waged by communist Vietnam, the alliance, and the two heads by joining forces with the NADK and the provincial, district, communal, and village committees to conduct ever increasingly vigorous struggle under all appearances and with all means. In particular:

1. You should fight resolutely to prevent the two heads, the communist Vietnamese puppets, and the U.S. puppet para troops [former noncommunist resistance troops currently under the command of General Dien Del] from forcing your husbands and sons to serve as soldiers or militiamen to fight and die in their place.

2. Peasants in every province, district, commune, and village should strive to create and use all kinds of popular weapons, especially punji stakes and bows, to protect their villages, land, rice fields, and farmlands against the trespass by soldiers, policemen, authorities of the communist Vietnamese and American puppets. The punji stakes are the strategic weapons that can be fully produced by our peasants—young and old, male and female alike. Punji stakes for defending villages and fighting off the enemies are all effective: Punji stakes can be used to defend the liberated villages fully and permanently; they can also be used fully to attack the invading troops in the areas controlled by the communist Vietnamese puppets and on all small and large strategic routes.

3. Peasants should cooperate to cut off or destroy small and large routes with a view to preventing the two heads from moving their troops for launching offensives.

The suffering of our peasants, nation, and people, in particular those of our peasants, is great and terrible. Therefore, our entire nation and people, especially the peasants, should join hands to intensify the guerrilla and popular warfare to end the communist Vietnamese war of aggression quickly, thereby allowing our people, specifically the peasants, to have land and lakes at hand to make a normal living again.

[Dated] 2 September 1994

[Signed] Ministry of Rural Area, Agriculture, and Water of the PGNUNS

PGNUNS Communique Assesses State of Struggle

BK0609032794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 5 Sep 94

["Communique" of the Secretariat of the Provisional Government of National Union and National Salvation; issued on 5 September; place not given—read by announcer]

[Text] I. On Monday, 5 September 1994, the cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

II. The cabinet heard reports presented by various ministries on developments in their respective fields, thoroughly discussed them in all aspects with a high sense of responsibility, and diligently took concrete measures of which our nation and people were informed so that together we would continue to accelerate our national salvation struggle and thereby quickly end the communist Vietnamese war of aggression and quickly achieve national reconciliation and peace, thus enabling the national forces of all political tendencies to join hands in solving national and social problems, particularly the question of the 4 million ethnic Vietnamese, which poses an enormous danger to our Cambodian nation and race.

III. In light of these reports and subsequent discussions, the cabinet saw that our entire Cambodian nation and people, particularly the peasants in the countryside, have collectively implemented the guerrilla and people's warfare tactics with confidence in their own strength and in the correct line to struggle together to quickly end the communist Vietnamese war of aggression. The peasants in whole villages and communes have joined hands to produce punji stakes, cross-bows, and booby traps, set them to protect their villages, plant spikes on roads, dig pits of punji stakes, and by the hundreds and thousands organize active movements to work with the National Army of Democratic Kampuchea in cutting, damaging, and destroying roads, railroads, bridges, and pipe systems to prevent the two-headed government from raiding the countryside in their campaign to conscript troops and militia with which to fight.

The brothers have conducted these activities by themselves out of the firm belief that in so doing they are defending their lives, lands, and homes while also preventing the two-headed government from obtaining troops with which to fight.

In producing punji stakes, the brothers are confident of the effectiveness of these weapons, considering them the sacred arms whose role is both defensive and offensive and which are used regularly to attack and crush the enemy both militarily and mentally.

Because our nation and people, particularly the peasants in the countryside, are so effectively, actively, and widely implementing the guerrilla and people's warfare tactics, the two-headed government of both communist Vietnamese and American puppets are now agonizing, deadlocked, and losing all control. The few remaining Vietnamese troops are being constantly eroded as a few here and a few there get themselves either killed or wounded by punji stakes. The people are also exhorting their sons and husbands to return home. Desertions have become unstoppable. The two-headed government cannot conduct their operations at will. So, they have failed to conscript new soldiers and militiamen. They cannot safely walk the roads because they are cut off, blocked by tree trunks, or strewn with punji stakes. Nor can they enter any villages of the people. The two-headed government is now experiencing a serious troop shortage.

On the one hand, there was the systematic growth of our national salvation struggle and on the other, the headlong plunge of the two-headed government, which is rushing toward collapse. This has encouraged our Cambodian nation and people both at home and abroad. It has also enheartened peace-loving and justice-loving countries and people in the region, encouraging them to step up participation as best they can in activities aimed at promoting national reconciliation and peace and quickly ending the communist Vietnamese war of aggression in Cambodia.

IV. The cabinet noted that our nation and people are in a profound conflict with the 4 million ethnic Vietnamese. It is a most acute national and social conflict taking place in all aspects because the 4 million ethnic Vietnamese have arrogantly robbed our people of all their lands, fields, orchards, rivers, lakes, fish, and forests. Our nation and people as a whole, both in the countryside and in Phnom Penh, have been victimized and have suffered great misery to the point that they can no longer endure it. They have been waging all forms of struggle in an extremely active and energetic movement. They are demanding that this question of the 4 million ethnic Vietnamese be immediately solved by:

1. Revoking all illegal Cambodian national identity cards issued by the communist Vietnamese puppets to million of ethnic Vietnamese.

2. Rounding up and interning the ethnic Vietnamese in camps because they are the forces serving a demographic war to swallow and exterminate the Cambodian race.

3. Sending these ethnic Vietnamese back to Vietnam.

The movement against the 4 million ethnic Vietnamese is seething and bubbling. It has forced communist Vietnam and the villainous Western alliance to hastily order the two-headed government to stage a farce about passing the so-called new immigration law. They did that:

1. To dupe and contain the anger of our nation and people who are opposed to the presence of the 4 million ethnic Vietnamese.

2. To legalize the permanent stay of the 4 million ethnic Vietnamese in Cambodia and open the border to the systematic and premeditated influx of new ethnic Vietnamese coming in line with communist Vietnam's extremely criminal strategy to turn Cambodia into another Kampuchea Kraom through a demographic war.

The PGNUNS cabinet categorically rejected this deceitful farce about the passing of the so-called immigration law staged by communist Vietnam, the villainous Western alliance, and the two- headed government and voiced support for and an appeal to the entire Cambodian nation and people to continue the struggle to demand that this question of the 4 million ethnic Vietnamese be settled according to the above-mentioned three-point conditions repeatedly and regularly set by our people.

V. The cabinet clearly saw the dark design and dirty deceit of the two-headed government, communist Vietnam, and the alliance in refusing to solve the question of the three foreigners in Kampot in accordance with the sincere and correct wishes of the inhabitants of Kampot, while resorting endlessly to various tricks. In particular, they have launched large-scale military campaigns in an attempt to destroy the Phnum Voar region and kill the people of Phnum Voar along with the three foreigners. Therefore, their crime is three- fold. On the one hand, they refuse to settle the problem politically and peacefully in accordance with the wishes of the Kampot people and the request of the families of the three foreigners. On the other hand, they have used their troops and artillery pieces to fire at and kill the people of Phnum Voar and the three foreigners themselves as dictated by their fascist nature.

For this reason, the cabinet instructed each ministry to continue to raise concrete problems and measures in each sector and informing our nation and people of these problems and measures so that our nation and people would see, on the one hand, the good results of their past contribution to the struggle in all fields and aspects and, on the other hand, the need to continue waging an active and widespread joint struggle along the correct line already implemented in accordance with the prevailing abilities and conditions in each locality and social circle. The brotherly peasants in the countryside should continue the struggle, basing themselves on their glorious heroism to implement the guerrilla and people's warfare tactics, wage political and economic struggle, and strive to make punji stakes, plant punji stakes, make crossbows, dig pits of punji stakes, and set booby traps in a more widespread and active manner and with greater effectiveness to protect their own lands, fields, and orchards and to prevent the two-headed government from conscripting troops and militia with which to fight.

The brotherly residents of Phnom Penh should wage all forms of struggle to oppose and reject the two-headed government, working for its ouster. They should wage a struggle to prevent the two-headed government from conscripting troops and police with which to fight; demand that the two-headed government immediately settle the question of the heavy presence of ethnic Vietnamese in Phnom Penh; and struggle to prevent the two-headed government from continuing to incite the war in Cambodia.

The brothers living abroad should struggle against and oppose the interference by the United States, France, Australia, and their associates who are poking in to continue fanning the flames of war and escalating the communist Vietnamese war of aggression in Cambodia, and prevent them from sending military personnel and giving military aid to the two-headed government.

All the above measures and activities in all fields, sectors, and aspects are to be conducted so that together we can quickly end the communist Vietnamese war of aggression and quickly achieve national reconciliation and peace, which is the profound aspiration of our entire nation and people. We do this to end the great misery of our nation and people once and for all so that we can build our country, enabling our people to live and work in normalcy and happiness and together defending our Cambodian motherland forever.

[Dated] 5 September 1994

[Signed] The Secretariat of the PGNUNS

Rice Shortage Threatens Kompong Thom Inhabitants

BK0509054694 Phnom Penh AKP in French 0400 GMT 5 Sep 94

[Text] Phnom Penh 5 Sep (AKP)—The inhabitants of Kompong Thom, a province in central Cambodia, will experience a rice shortage between now and the December harvest.

More than 490,000 people, or 72 percent of the local population, are threatened by a deficiency of rice. The province will need more than 48,300 tonnes of the grain. The districts of Prasat Balang, Prasat Sambo, Stoung, and Sandan and the provincial capital are the areas where the shortage will be most serious.

The rice acreage has in fact decreased by half this year (or 21,000 hectares less). The reasons are diverse: First there was the security situation, then the floods during the monsoon of 1993, and finally the protracted drought of the same year.

Indonesia

Commentary Explains Attendance at ICPD Conference

BK0609105994 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 6 Sep 94

[Station commentary]

[Text] Dear listeners: The UN-sponsored International Conference on Population and Development [ICPD] in Cairo is under strict guard because of threats of boycott and terrorism. The conference—which opened yesterday and will end on 13 September—was originally going to draw some 15,000 delegates from 155 nations, but Saudi Arabia, Sudan, Jordan, and Bangladesh refused to attend. The strong reaction from a number of Islamic nations and the Vatican focuses on a draft agreement legitimizing free sexual relations, abortion, and homosexual marriages. The UN initiative in holding the ICPD to stabilize population growth for the sake of sustainable development was at first welcomed enthusiastically by all member nations. A division developed when the draft agreement—considered controversial by religious circles—was placed on the conference agenda. Nafiz Sadik, executive director of the UN Population Fund, strongly denied during a news conference one day before the opening ceremony that the draft agreement was certain to be endorsed. He said that differing opinions on moral values should not blur the main objectives of the conference.

In the meantime, President Suharto, who canceled his plan to lead the Indonesian delegation to the conference for health reasons, has said firmly that Indonesia fully understands the objections of the Vatican and Islamic nations. Despite his absence, the head of state stressed that Indonesia strictly abides by the consensus reached among developing nations in Denpasar, Bali last year that the family should be turned into a force for human resource development. The Indonesian delegation is ready to put forward a basic policy that opposes any concepts that are contrary to moral values. In other words, Indonesia is adopting a persuasive strategy to try as much as possible to prevent the Cairo conference from being ensnared by concepts that may cause controversy. Since launching a population program in 1970, the Indonesian Government has been working closely with religious councils such as the Indonesian Ulemas Council, Muhammadiyah [Islamic educational foundation], the Indonesian Council of Churches, Hindu and Buddhist organizations, and various mass organizations. The success of Indonesia's population program, which has won world recognition, has been attributed to the support of people from various social strata. As a result, there have been no pros and cons. All social elements have been actively involved in the program to the maximum extent and been instrumental in its success. The population program aims to create happy and prosperous families during the Second Long-Term Development Master Plan.

We want to convey our experiences to the ICPD in Cairo, which is being attended by developed nations and Western nations in addition to the developing nations that came to Denpasar last year. We understand the hardline stand adopted by a number of nations with regard to the agenda of the Cairo conference, but we chose to be present to convey our main ideas openly.

South Africa's Mandela Arrives for Visit

BK0209130294 Jakarta ANTARA in Indonesian 1037 GMT 2 Sep 94

[Text] Jakarta 2/9 (ANTARA)—South African President Nelson Mandela arrived at Halim Perdanakusumah international airport, Jakarta, on Friday [2 September] afternoon for a two-day unofficial visit.

Mandela, who is the ANC [African National Congress] leader, was reluctant to issue a press statement regarding his visit. He is scheduled to attend a dinner hosted by President Suharto tonight and will hold discussions with the president on Saturday morning.

Mandela, who was asked by the press to make a comment, smilingly said, "I 'welcome' [preceding word in English] all of you. The press definitely plays an important role in the existence of a nation. The press is a mirror that allows us to see all our actions."

Mandela, who was received by Foreign Minister Ali Alatas, stopped briefly before exiting the official limousine because of the pressing crowd of reporters.

Mandela, who was elected South Africa's president in May, said, "I am very happy, but unfortunately, I cannot make any statements on my current visit until I have met with President Suharto. At the end of my visit, there will be an opportunity to talk to the press about the issues I discuss with President Suharto."

Mandela, who is the first black South African president, last visited Jakarta when the 10th Nonaligned Movement summit was held in September 1992. Prior to that visit, Mandela had also paid a visit to President Suharto in October 1990.

Suharto Holds Talks With Mandela

BK0309115694 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 3 Sep 94

[Text] President Suharto says that the African National Congress [ANC] should consolidate itself after its victory in the recent general elections in South Africa because the political group has a responsibility to develop the nation and country. The head of state said this in his capacity as chairman of the Functional Group's Advisory Board during his talks with President Nelson Mandela, who is ANC chairman, at Jakarta's Merdeka Palace this morning.

President Suharto also told his guest that national stability is needed to carry out develoment. Briefing reporters on the outcome of the talks, Minister-State Secretary Murdiono said the president gave his views because the ANC chairman had asked him about Indonesia's experiences in carrying out development. Murdiono said that, when the two leaders talked about human right issues, the East Timor issue was also discussed. [Recording of Murdiono indistinct]

During the talks, President Suharto also gave his views on countertrade with President Mandela, namely, his proposal to import coal from South Africa.

After the talks with President Suharto, President Mandela paid a courtesy call on House Speaker Wahono, during which he told Wahono that a South African delegation will be sent to study national development programs in Indonesia.

Mandela Seeks Upgraded Ties, Departs

BK0309131594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 3 Sep 94

[Text] South Africa wants to upgrade trade and economic ties with Indonesia as well as share Indonesia's experience in tapping its vast natural resources because it believes that Indonesia is quite successful in this area. Speaking to reporters before leaving Jakarta this evening, Nelson Mandela, chairman of the African National Congress [ANC] said he had discussed with President Suharto his country's desire to upgrade ties at their meeting in Jakarta this morning. During the meeting with Mandela, the head of state briefed him on Indonesia's experience in carrying out its development. Mandela said he is very impressed with the leadership of President Suharto, who has created political and economic stability in the country.

Before he held a press conference, the ANC leader met with House Speaker Wahono, during which time he related his past struggle against apartheid. Mandela said that during the struggle, he had also received support from about 300,000 ethnic Indonesians residing in South Africa led by (Sheykh Yusuf). During the occasion, House Speaker Wahono briefed Mandela on Indonesia's parliamentary system and stressed the need for the two countries' parliaments to upgrade ties.

The ANC leader arrived in Jakarta yesterday afternoon aboard a special plane. Before meeting with the house speaker, Mandela held talks with President Suharto. This evening, Mandela and his entourage left Jakarta for Bali before returning home.

Impact of Environmental Destruction Discussed

BK0209123594 Jakarta MERDEKA in Indonesian 13 Aug 94 p 6

[Editorial: "Environmental Destruction Has Become Serious"]

[Text] The statement by Sarwono Kusumaatmaja, Minister of State for Environment, last Wednesday [10 August] in Serang, West Java, concerning environmental destruction in Indonesia and its connection with the macroeconomic indicators has left us worried and concerned. Why shouldn't we feel concerned if nothing is done to halt the destruction of mangrove swamps, the coral reefs along the coastline, hills, fish, maritime species, and the discharge of industrial toxic waste by irresponsible and inconsiderate people?

The rapid rate of development has created problems. For example, the Serang regency has set an 8-percent development growth rate target. Unquestionably, environmental conservation will be affected as a result of trying to reach that objective. Where do the raw materials originate for the construction of roads, bridges, and buildings if they were not obtained as a result of environmental denudation that depleted its landscapes? We should give due consideration to such a fact in the face of environmental destruction and the impact it will have on public health, which in turn could shorten people's lifespans. Therefore, Sarwono's conclusion was that Indonesia's macroeconomic indicators have yet to include a supporting "fund" to deal with the environmental destruction.

In other words, has the fund, which should be utilized to satisfy Indonesia's macroeconomic demand, been calculated to cover the cost of the environmental destruction? This was probably one of the reasons Sarwono stated that the issue of environmental destruction and pollution had not yet been integrated with the national and regional development plan. Such an issue should be conscientiously resolved, considering the impact it will have on the country's economic growth.

In fact, Sarwono clarified that Indonesia is not the only country facing the monopoly problem; other Third World developing countries are facing the same dilemma. During the past colonial era, it was considered that if people depended on forests and land resources for their livelihood, it was tantamount to "robbing the environment." The Dutch considered the Indonesian farmers' year-long cultivation practice—without even allowing the land to lie fallow, let alone replenish it with fertilizer and other necessary ingredients—an act of roof-opbouw, which means robbing the fertile land, or in other words "cultivation by robbing the rich and fertile land resources." But currently, such an act is considered one of implementing development by robbing the natural environment through the use of explosives to destroy mountains, coral reefs, the depletion of mangrove swamps and tropical forests, including the destruction of fertile land, just for the sake of developing the industrial sector.

It is strange that we are witnessing the continuous environmental destruction process being carried out in a nonchalant, rampant, and open manner. Such a situation has confused us in spite of our investigations into the issue and our effort to present facts on such destruction. This points to the fact that we are only concerned with developing infrastructural projects needed for our rapid national development and its growth. Unquestionably, we will have to pay a high price for such development by sacrificing our country's continuous environmental existence. Closer scrutiny will indicate that the foreign loans were mostly utilized for development purposes. Therefore, we will finally end up by sacrificing our future generation's heritage—the natural environment. We have not conscientiously given serious thought to conserving our "food sources" for future generations.

This is probably the first occasion that a person has been courageous enough to say that Java Island, which should have only about 22 million residents, is currently inhabited by approximately 100 million residents. It seems that no solution is currently in sight for solving Java Island's population problem. If we allow such a problem to linger and if we remain unwilling to solve it in a practical and modern manner, then most of the nation's population will converge on the island living in apartments, cluster houses, condominiums, high-rise buildings, and probably in underground dwellings and tunnels, while the other islands will be left uninhabited by the end of the Second 25-Year Long-Term Master Plan. As a result, we will have to exist on an absolutely overcrowded island with daily traffic jams from Serang to Banywangi while forgetting that Indonesia is our country. By that time, the Java islanders would have to import clean drinking water and fresh air.

* CGI Loans Earmarked for Infrastructure

94SE0214A Jakarta BISNIS INDONESIA in Indonesian 8 Jul 94 p 1

[Text] The third meeting of the Consultative Group for Indonesia (CGI) will probably approve a number of projects in at least 24 sectors earmarked for human resources (SDM), the elimination of poverty, the development of infrastructure, and environmental control.

Besides agreeing on the size of the loans for the 1994-1995 fiscal year, the meetings, which end today, will also approve various projects proposed by the Indonesian delegation.

Based on the experience of the previous two meetings, after the size of the loans has been approved, the meetings usually continue with talks between donor nations or organizations and Indonesia, especially regarding technical aspects of implementation and the types of projects to be funded.

"In those talks, the donor nations or organizations do not always approve all the projects proposed by the Indonesian delegation. But they, that is, the donors, usually select projects in line with their desires and their grant-in-aid mission," a minister and member of the Indonesian delegation to the third CGI meeting told BISNIS last week.

The various projects included in the Blue Book are a portion of all the projects found in these 24 sectors. The 24 sectors, said that official, are not very different from the projects proposed at last year's meeting.

"Some projects which were not agreed to last year were proposed again at this meeting," he said.

But, said Saleh Afiff, coordinating minister for economics and finance and development oversight, who is also serving as chairman of the Indonesian delegation, there are a number of additional projects, such as the elimination of poverty through the President's Neglected Villages Instruction (IDT). "The elimination of poverty is one of the projects to be proposed by the Indonesian delegation at the third CGI meeting," said Afiff on 6 July in Paris.

At last year's second CGI meeting, the Indonesian delegation proposed a number of projects in the areas of agriculture, irrigation, mining, industry, energy, transportation, post and telecommunications, forestry and natural resources, tourism, water supplies, urban development, regional development, information, education, health, population, the work force, trade and cooperatives, transmigration, science and technology, finance, public administration, social welfare, and increasing the role of women. The amounts needed for the projects proposed last year was from around $150,000 to $250 million.

However, according to that source, there are at least seven main sectors that will be given funding priority through CGI loans, namely, development of human resources, regional development, infrastructure, the elimination of poverty, education, health, forest development, and environmental control.

These are about the same as those recommended by the World Bank. In a report prepared for this meeting, the World Bank recommended that CGI loans in the 1994-1995 fiscal year target four main sectors: increasing and developing human resources, eliminating poverty, controling the environment, and building infrastructure.

This does not mean that attention will not be paid to the other twenty sectors for funding by CGI loans. "But priority will be given to the development of those four main sectors during the 1994-1995 fiscal year. The government is committed to this," said that official.

Based on previous experience, the World Bank, the Asian Development Bank (ADB), and Japan usually quickly select a number of projects proposed in the Blue Book.

The two donor organizations and Japan are usually interested in funding infrastructure projects, such as road construction, irrigation, rural electrification, clean water supplies, telecommunications, and harbor construction. They also usually prefer to fund human development projects, education, health, social and community welfare, agriculture, forestry, and the environment.

The projects earmarked for funding through CGI loans are in general to be found in the eastern part of Indonesia (KTI), in view of the fact that it is that region that needs the most attention and funding in order to develop as the western part of Indonesia (KBI) has.

In a report entitled Indonesia: Stability, Growth and Equity in REPELITA [Five-Year Development Plan] VI, the World Bank proposed among other things, that Indonesia continue to carry out a number of policies intended to face the shift from an economy based on natural resources to one based on industry.

In that connection, said the World Bank, Indonesia will face a number of problems, including the maintenance of a high rate of growth in an increasingly competitive market, managing pressures on the environment and on infrastructures as a result of the growth of industry and of the movement to the cities, as well as eliminating poverty in isolated areas.

Taking the increasing amount of foreign debt into consideration, the 240-page report recommended that in the future the Indonesian economy not be overly dependent on foreign loans. For that purpose, the World Bank suggested that Indonesia continue to maintain the stability of its macroeconomy by means of various policies meant to increase efficiency.

That international body also believes that the regulation of economic stability continues to be important in order for Indonesia to continue a high rate of economic growth and to eliminate poverty.

Thailand

Officials Respond 'Cautiously' to U.S. Proposal

BK0709035194 Bangkok THE NATION in English 7 Sep 94 p B1

[Report by Surachai Chupaka]

[Text] Thai officials have responded cautiously to a US proposal asking the 17 members of the Asia Pacific Economic Cooperation (Apec) to provide equal treatment to Apec citizens doing business in any country of Apec, saying that Thai industries might not be able to face open competition from foreign investors at the moment.

Moreover, they reasoned that domestic legislation might not be ready for open competition as required by Apec. Foreign business participation is currently governed by the Alien Business Law, which sets conditions for foreign citizens doing business in Thailand.

A source from the Finance Ministry said Thailand is expected to express reservations over the US proposal at a Committee on Trade and Investment meeting starting today in Indonesia.

At last year's summit in Seattle, the Apec leaders agreed to discuss investment codes within the member countries. US officials later suggested that Apec members should discuss how to relax domestic investment codes to provide equal treatment to all members.

National treatment will be added to the overall trade liberalization package, aiming to turn Apec into a free-trade area by the year 2020. Leaders from the 17 members will also discuss a proposal to bring down tariffs among the Apec members to zero per cent in three tiers—2010, 2015 and 2020.

Thailand should face few problems with Apec tariff cuts, taking into account the faster tariff-cut schedule under the Asean Free Trade Area. But the source noted that Thailand is still having a problem with the restrictions under the Alien Business Law, or Revolutionary Council Announcement Number 281, which set some restrictive conditions on foreign investors. Although the Thai government has proposed some revisions in the Alien Business Law, it felt the time is not ripe for open competition from foreign companies.

The Thai source said that other Asean countries are likely to share the Thai stance.

At any rate, the source admitted that Apec would finally include national treatment in the investment code clause under the liberalization trade announcement. Thailand, therefore, has to work out with the other Asean countries how to put the agreement on the investment code into practice.

"We are concerned that Thailand might be put at a disadvantage by the commitment," the source said.

The proposal to grant national treatment for all members was also included in the latest report by the advisory panel or the so-called Eminent Persons Group, which is assigned to work out a vision for the Apec forum.

Apec consists of the Asean Six, China, Taiwan, Hong Kong, South Korea, Japan, the United States, Canada, Australia, New Zealand, Mexico and Papua New Guinea.

Chile is set to become a member at the Apec summit in November this year.

Apart from trade liberalization, the members will also discuss human resource development, ways and means of strengthening cooperation in the improvement of commercial and public infrastructure within the Apec framework, private sector participation in Apec activities and the Asia Pacific Business Network, for instance.

They will also pursue the agreements which were reached at the Apec summit on Blake Island last year such as the establishment of a Pacific business forum finance ministers' meeting, an education programme, a business volunteer programme, energy, environment and economic growth, technology transfer exchange centre and a small and medium business ministers meeting.

AFTA Members Said Wary of Tax Cut on Farm Goods

BK0309122194 Bangkok BANGKOK POST in English 3 Sep 94 p 24

[By Wichit Sisirithawiphon]

[Text] ASEAN members have said they want to keep unprocessed agricultural goods out of the ASEAN Free Trade Area (AFTA) scheme, according to a Finance Ministry source. AFTA's interim technical working group met recently in Malaysia and recommended incorporating unprocessed agricultural commodities into the AFTA programme.

Meanwhile, agricultural goods would remain on an exclusion list, by which means member countries can retain tax barriers for eight years. The meeting proposed that each member country make a list of "sensitive" unprocessed agricultural commodities it wants to exclude from the AFTA tax reduction scheme. The list should be submitted by December 31, said the source.

ASEAN members want to keep key unprocessed agricultural commodities out of the AFTA framework because of high stakes involved in the sector.

Sensitive commodities include live animals, sugar, tea, coffee, rice, tapioca, fishery goods, fruit and vegetable.

The source said if these commodities are kept outside the AFTA framework, AFTA efforts would be fruitless. These items are key commodities traded among the ASEAN group, he said. For example, Thailand is the biggest ASEAN rice exporter whereas Indonesia and Malaysia have less potential in production and export compared to Thailand.

Hence, national security and self-reliance are often raised as reasons to protect the interest of member countries.

The source added that Thailand has no reservations about maintaining all unprocessed agricultural products under the AFTA tax-cut scheme even though it has to keep palm oil which is a sensitive good under the free-trade scheme.

Political stakes are high as palm planters in the south expressed their resentment towards the government early this year, due to the slumping of local palm oil.

Therefore, the free flow of foreign palm oil under the AFTA framework would affect palm growers—a sizable group of the population. The source said non-tariff barriers (NTB) are going to be abolished especially quotas.

Under AFTA, if taxes fall below 20 percent, quotas must be abolished and the NTBs must be scrapped after five years.

The source said this meant quotas would have to be abolished by 1998 and 2001 and NTBs by 2003 and 2006.

The source said NTBs were a major trade hurdle and were inherent unlike other barriers such as excise or customs taxes which are tangible.

Malaysia applies quotas extensively on imported goods while Thailand applies quotas on only 30 imported items.

Under the ASEAN tax-cut scheme, tariffs will be reduced to between zero and 5 percent within 15 years. On goods taxed at 20 percent or more, the rate will be reduced to 20 percent in eight years.

Spokesman Reviews Chuan-Murayama Meeting

BK0409090094 Bangkok THE SUNDAY POST in English 4 Sep 94 p 3

[Text] Prime Minister Chuan Likphai yesterday called on Japan to help raise Thai living standards by buying more agricultural and industrial products from its people.

Government spokesman Aphisit Wetchachiwa said the Prime Minister pushed the cause of Thai farmers who constitute the majority of the population.

Mr Chuan yesterday met Japanese Prime Minister Tomiichi Murayama at Asakasa Palace on the second day of his official visit. And according to Mr Aphisit, the two prime ministers discussed a wide range of topics including bilateral and multilateral economic relations and the development of Indochina.

While discussing future cooperation on trade, investment and aid, Mr Chuan said Thailand has for a long time suffered a trade deficit with Japan. He said 80 per cent of Thailand's trade deficit was with Japan, which should be corrected.

While Thailand still wants to buy goods from Japan, it is necessary for Japan to buy more products from Thailand including gems, rice, tapioca, rubber and frozen pork, Mr Chuan said.

Mr Murayama agreed to Chuan's suggestion and said he would seek to relax various regulations on imports, including those from Thailand.

The Japanese Prime Minister also said Thailand's trade deficit is due partly to its import of goods bought to increase capital gains, while Mr Chuan said Japan was now the top investor in Thailand which is the second largest source of Japan's investments in ASEAN.

Mr Chuan told Mr Murayama of Thailand's policy to promote foreign investment in rural areas and that Thailand has prepared infrastructure and developed its human resources to cope. Mr Murayama said he would urge the Japanese private sector to invest as much as possible in Thailand.

Concerning aid, the Japanese government has approved 823 million yen in loans to Thailand this year. And on the development of Indochina, Mr Aphisit said Japan fully praised Thailand for its contribution.

Japan has prepared a meeting, "Forum for Comprehensive Development of Indochina and Thailand" and has agreed to cooperate since its geographic location could support development of Indochina, Mr Aphisit said.

Mr Murayama also briefed Mr Chuan on his recent trips to the ASEAN region and Vietnam.

On the regional situation, Mr Aphisit said Prime Minister Chuan said the war in Cambodia had stopped after the formation of the present Cambodian government but peace had not come because of internal political problems.

Mr Chuan said Thailand supports the Cambodian government and has provided assistance to Cambodia in various fields including personnel development.

The Thai Prime Minister affirmed that Thailand is not supporting the Khmer Rouge but will give full support to the elected government.

On Thailand's policy of constructive engagement with Burma, Mr Chuan said this policy has begun to create changes in that country but changes may not be as quick as other countries want to see.

Mr Chuan said other countries have begun to support this policy of Thailand.

Mr Aphisit said Mr Murayama agreed that there have been changes in Burma and voiced support for Thailand's decision to invite Burma to the recent ASEAN Ministerial Meeting in Bangkok.

Thailand has pledged full support for Japan's bid to become a member of the United Nations Security Council because Japan, based on its geographical location, could effectively represent the region, Mr Aphisit said.

The Government spokesman said Mr Chuan invited Prince Akishino to Thailand to receive an honorary doctorate degree in fisheries from Kasetsat University and invited Mr Murayama to visit Thailand.

Mr Aphisit said the two prime ministers exchanged opinions concerning their experience heading a coalition government.

Prasong: Cambodia To Free Thai Coup Suspect

BK0309123894 Bangkok BANGKOK POST in English 3 Sep 94 p 7

[Text] One more Thai national detained by the Cambodian government in connection with the failed coup in July will soon be released for humanitarian reasons, Foreign Minister Prasong Sunsiri said yesterday.

Cambodian Second Prime Minister Hun Sen gave Sqn Ldr [Squadron Leader] Prasong the assurance during a 30-minute meeting at Don Muang yesterday morning. Hun Sen had flown into Bangkok from Phnom Penh and was scheduled to leave at midnight for medical treatment in France.

Sqn Ldr Prasong shortly afterwards left for Tokyo with Prime Minister Chuan Likphai.

"There is a Thai whose wife is going to have a baby and Cambodia is considering releasing him. He is expected to return soon," the minister quoted Hun Sen as saying.

Sqn Ldr Prasong did not identify the Thai but informed sources believed he was referring to Aram Komkrot whose wife, Sao Sae Kuai, is pregnant. Mr Aram is one of the nine Thais who have been detained in Cambodia for two months.

The Cambodian government has said they will be sent to court for allegedly taking part in the abortive coup. However, Sqn Ldr Prasong expressed confidence after talks with Hun Sen that the remaining Thais will be freed later.

"He (Hun Sen) told me not to worry about their future" because what Phnom Penh wants is the mastermind of the failed attempt, according to the minister.

Sqn Ldr Prasong said Hun Sen told him who was the chief instigator of the failed coup but the minister maintained he was unable to tell the press.

The minister and Hun Sen discussed plans for Cambodian authorities to interview Thais in connection with the failed coup, Cambodia's logging policy and other bilateral cooperation.

The minister quoted Hun Sen as assuring him there will be no attempts to jeopardise relations between the two countries.

The talks took place one day after the minister met Cambodian First Prime Minister Norodom Ranariddh who also told Sqn Ldr Prasong that his government would speed up the process on the detained Thais.

Hun Sen declined to talk to the press as Cambodian officials claimed that he was too tired.

The second prime minister told Sqn Ldr Prasong that he has high blood pressure. Cambodian Ambassador to Paris Hor Namhong accompanied him on the trip.

Prince Norodom Chakkrapong, accused by Phnom Penh of being a leader of the failed coup, left Bangkok for France on Monday.

Safety of Returning Mon Refugees Not Guaranteed

BK0309124094 Bangkok THE NATION in English 3 Sep 94 p A2

[Text] Mon relief officials can offer no guarantees for the safety of refugees who return from Thailand to Halockhani camp in Burma to get food supplies blockaded by the Border Patrol Police (BPP), according to a statement released yesterday by the Mon National Relief Committee (MNRC).

The Kanchanaburi-based 9th Infantry Division reportedly gave the order to block distribution of rice to 6,000 Mon refugees on Wednesday, after it rejected five "requests" sought by the refugees in exchange for returning to Halockhani voluntarily.

The refugees were due to receive their bi-weekly supply of rice from the camp rice storage yesterday. The imposition of the blockade will mean they have little to eat apart from bamboo shoots collected in the forest.

"The MNRC cannot make any guarantee for the safety of any refugees who return to Halockhani camp (because) they can no longer tolerate hunger," the statement said.

The refugees are taking shelter at the Ban Ton Yang border checkpoint—also known as New Halockhani—near Sangkha Buri in Kanchanaburi Province following a raid on Halockhani by Burmese troops last month.

The BPP has now completely cut off the camp to all visitors—including doctors, Mon relief officials and officials—so it is not known whether any refugees have returned to Halockhani. The BPP based in Sangkha Buri has so far declined to comment.

The MNRC also reported yesterday that three more truckloads containing 400-500 Burmese illegal immigrants were sent to Halockhani yesterday for deportation. It is not clear what they will eat, because they are usually given food from the rice warehouse now being blockaded by the BPP.

MNRC Chairman Phra Wangsa Pala was allowed to visit the border checkpoint on Monday and Tuesday in order to negotiate a voluntary return to Halockhani by the refugees.

"In the meeting, we adopted the following five points and informed the 9th Division through the Thai Border Patrol Police," the statement noted. "The Army rejected the proposed points."

The statement lists the five requests in a public appeal to the Thai government to take responsibility for the refugees. They include:

—A lifting of the blockade on the camp and a promise not to use force or pressure on the Mon refugees to return, because the MNRC was ready to negotiate the process of repatriation with Thai authorities;
—The signing of an agreement at government level to ensure there will not be any trouble for the Mon refugees in the future from the Burmese government (the 9th Division claims that the local Burmese military commander at nearby Three Pagodas Pass has promised not to attack the refugees);
—Permission for international aid agencies to provide assistance to the refugees after they return to Halockhani until the situation allows them to go home safely;
—The relocation of Mon refugees from Palai Thumpai (the section of Halockhani that bore the brunt of the Burmese attack last month) to a safe place since their houses were burned down;
—The opening of an office run by an international agency in Halockhani camp to monitor the situation after the refugees have returned.

Border sources also said yesterday that permission to enter the camp had finally been granted to a fact-finding team from the US House of Representatives. But the permission arrived two days after they visited Sangkha Buri, where they met MNRC officials.

The fact-finding team, composed of embassy officials and congressional staff, said reports would be filed to the US Stated Department and the US House Foreign Affairs Committee. However, the staff members said they were not specifically carrying out research for the Foreign Operations Act, a US law recently passed that would cut off aid to the Thai military if Thailand was seen to be blocking support for Burmese pro-democracy activists, exiles or refugees. The law was sponsored by the US House Appropriations Committee, they said.

Laos Urges Investment To Become Regional Link

BK0409091794 Bangkok THE SUNDAY POST in English 4 Sep 94 p 3

[Text] Breaking away from its usual cautious stance on modernisation, Laos yesterday called on foreign businesses to invest more in the country to help it develop into a regional land link.

"Let's develop Laos from a landlocked country into a regional land link," said Mr Leuan Sombounkhan, vice president of Laos's Planning and Cooperation Committee, at a seminar on Lao investment yesterday.

The one-day seminar in Chiang Mai was co-organised by the public and private sectors of Thailand and Laos—the Thai Embassy in Vientiane and the Lao National Chamber of Commerce and Industry.

Registration fees raised 100,000 [currency not further specified] and contributed to the newly-established coordinating committee of the private sector in nine northern provinces and the Lao National Chamber of Commerce and Industry to promote closer ties between the two countries' private sector.

Trade and Tourism Minister Sompadit Vorasan told the seminar his country, with a 5,000-kilometre border with Thailand, Cambodia, Vietnam, China and Burma, will improve infrastructure and facilitate movement between countries surrounding Laos.

The landlocked country had previously preferred to take it easy when dealing with ambitious regional infrastructure development, particularly an Asian Development Bank-driven proposal for a regional land link.

The Vientiane government is still not commenting on the location of a second bridge over the Mekong river while some northeast provinces are lobbying to host the site.

They claimed Laos had to study the socio-economic impact of the first Friendship Bridge linking Nong Khai and Vientiane.

Thai Ambassador in Vientiane Mr Somphan Kokilanon said Laos was very clear of its intention to become a regional land link within the proposed economic quadrangle encompassing northern Thailand, Laos, Burma, and southern China.

Mr Somphan added Laos was also thinking within the framework of the proposed hexagonal economic zone to involve the four countries in the quadrangle plus Cambodia and Vietnam.

"Laos has changed its mind after witnessing the economic momentum of the countries around it," he said, denying there had been outside pressure on Laos to speed up infrastructure development.

The ambassador, however, said Laos will certainly undertake the development cautiously.

"Laos has said it did not want the negative side of development like in Thailand, and they are right," he said.

Mr Leuan told the seminar infrastructure development was previously the responsibility of the state, but "today's Laos" was open to private investment in the construction of roads, railways and others. But he stressed Laos's neighbours must not use these land links without investing in and developing the country's economy.

"Laos must be the centre of a regional land link with investment and development projects along roads, not just passing through between neighbouring countries," said Mr Leuan.

Infrastructure development projects in Laos are at various stages of planning and implementation, and concerned ministers from the six countries in the hexagon economic zone are due to meet here September 15-16 to discuss the issue.

Mr Leuan said Laos was developing legal framework to facilitate foreign investment and trade, and promoted Laos as a country of stability and high returns for investors as it is endowed with rich natural resources and cheap labour which could easily be trained.

Major Changes in Annual Military Reshuffle Noted

BK0309140294 Bangkok BANGKOK POST in English 3 Sep 94 pp 1, 3

[Text] Gen Watthanachai Wutthisiri was yesterday named as the new supreme commander replacing ACM [Air Chief Marshal] Woranat Aphichari who is due to retire at the end of the month. Gen Watthanachai, a Chunlachomklao Military Academy Class 4 graduate and deputy supreme commander, will retire next year.

Another deputy supreme commander, Gen Prasoet Sararit, who was once close to Statesman and Privy Councillor Gen Prem Tinsulanon was appointed the new defence permanent secretary to succeed ACM Suwit Chantharapradit

Deputy Permanent Secretary Gen Wirot Saengasanit, who was tipped as a strong candidate for the permanent secretary post, remains in the same post.

Army Assistant Commander Gen Pramon Phalasin was appointed the new armed forces chief-of-staff replacing his former classmate, Gen Charun Phunsanong.

A source said yesterday the military list proposed by Supreme Commander ACM Woranat had been changed as it had named his former chief-of-staff, Gen Suphit Wora-Uthai, to replace Gen Charun. Gen Suphit was named the new deputy supreme commander.

Gen Watthana Sanphanit was named the new director of the Supreme Command National Security Command.

There were many changes in the new Army line-up in which Army Commander Gen Wimon Wongwanit, who will retire next year, appointed his former classmate, Gen Suthep Siwala, the new chief-of-staff and Gen Phaibun Emaphan was promoted from chief-of-staff to deputy commander.

The two new assistant commanders are 2nd Army Commander Lt Gen Anuphap Songsunthon and 1st Army Commander Lt Gen Chettha Thanacharo.

The top five army positions all go to Chunlachomklao Military Academy Class 5 graduates except Lt Gen Chettha, a Class 9 graduate.

"Gen Wimon, Gen Suthep and Gen Phaibun are also leading members of the class. They are very close to each other. They have distanced themselves clearly from Gen Suchinda (Khraprayun)'s faction and that is the main reason they were not promoted while Gen Suchinda was in charge of the Army" said one military observer.

Gen Phaibun and Gen Suthep will retire in 1996 while Gen Anuphap will retire next year.

Third Army Commander Lt Gen Yingyot Chotiphimai and 4th Army Commander Lt Gen Kitti Rattanachaya were moved to inactive posts with the Army with the rank of general.

The new regional army commanders are Lt Gen Bundit Malai-arisun as 1st Army commander, Lt Gen Surayut Chulanon as 2nd Army commander, Lt Gen Surachet Dechatiwong as 3rd Army commander and Lt Gen Panthep Phuwanatnurak as 4th Army commander.

"All the new regional commanders are competent officers who worked closely with Gen Wimon in the special forces," said one senior military officer.

A Muslim leader from the South said yesterday he was hopeful the new 4th Army commander would follow the policy initiated by Lt Gen Kitti in fostering ties with local Muslims. Key Muslim leaders in the area had urged Gen Wimon not to appoint Lt Gen Panthep as the new commander because he once had a problem with local Muslims.

Lt Gen Chalongchai Yaemsaso, who once worked closely with Gen Wimon in the Lopburi-based special warfare headquarters, was yesterday named the new commander of the headquarters replacing the new 2nd Army Commander Gen Surayut.

The Army chief named Lt Gen Chainarong Nunphakdi, commander of the Institute of Army Academics, as the new army deputy chief-of-staff. Lt Gen Chainarong was the 1st Army commander during the May 1992 rallies when pro-democracy demonstrators were fired on by soldiers under then army commander Gen Itsarapong Nunphakdi. After the incident, Lt Gen Chainarong, a graduate of Class 11, was made commander of the institute.

"This should be considered a promotion in the Army as the new post is considered a key position," said one military officer.

Another surprise move was that the commander of the Army Intelligence Headquarters, Maj Gen Thawisak Nunphakdi, a close relative of Gen Itsarapong, becomes attached to the Army.

The new army intelligence chief is Col Chatchan Kanchanapha who is said to be loyal to Gen Wimon.

There was no major shakeup of division commanders.

First Cavalry Division Commander Maj Gen Wattanachai Chaimungwong was named commander of the Cavalry Centre and Col Udomchai Ongkhasing was named the new commander of the division based in the 3rd Army area.

In the Navy, Chief-of-Staff Adm Surawut Maharom becomes attached to the navy commander and V. Adm [Vice Admiral] Bunplot Mamuangkaeo was named the new navy chief-of-staff.

In the Air Force, Commander-in-Chief ACM M.R. Siriphong Thongyai named Assistant Commander ACM Charun Wuthikan the new deputy commander while Chief-of-Staff ACM Kriangkrai Sinthawanon becomes assistant commander.

Deputy Chief-of-Staff AM [Air Marshal] Amon Naeomali was named chief-of-staff.

"AM Amon has worked closely with ACM M.R. Siriphong during the past year and the commander has a lot of trust in him," said one military officer.

Assistant Commander ACM Samat Sotsathit retains his position.

Vietnam

Further on Visit by Indian Prime Minister

Rao Meets Foreign, Defense Ministers

BK0609150894 Hanoi VNA in English 1428 GMT 6 Sep 94

[Text] Hanoi VNA Sept. 6—Visiting Indian Prime Minister P.V. Narasimha Rao and his entourage paid floral tributes to President Ho Chi Minh at his mausoleum this morning.

The Indian dtinguished guests also visited the office and residental house of the late president. Writing in the visitors' book, Prime Minister Rao praised President Ho as 'the great liberator of his people and of the world people in general'.

In the afternoon, Mr Rao received Foreign Minister Nguyen Manh Cam at the Presidential Palace.

Also this afternoon, the Indian prime minister received Defence Minister General Doan Khue.

Speaking on the occasion, Mr Rao expressed satisfaction over the constant development of the Indo-Vietnamese relationships in general and the countries' armed forces in particular, which he said he hoped would make active contributions to the defence of peace in the region and in the world over.

For his part Gen. Doan Khue wished that the relations between the armed forces of Vietnam and India would be further developed for the benefit of each country of the region as a whole.

Prime Ministers Hold Talks

BK0709010094 Hanoi VNA in English 1447 GMT 6 Sep 94

[Text] Hanoi VNA Sept. 6—Prime Minister [P.M.] Vo Van Kiet held talks here this morning with his Indian counterpart Mr. Narasimha Rao who is here on an official visit to Vietnam.

The two leaders informed each other of his country's current situation, especially the course of renovation in Vietnam and the economic reform in India. They also exchanged views on several international and regional issues of common concern.

P.M. Kiet affirmed that Vietnam always gives priority to broadening cooperation with other countries in the Asia-Pacific region, especially the traditional friendship and all-sided cooperation with India.

P.M. Rao voiced India's support for Vietnam's renovation, and he said India considered Vietnam a special partner, and wished to increasingly further strengthen the cooperation in all fields that the two sides have potential. Mr. Rao highly appreciated the initial important achievements recorded by the Vietnamese people, creating premises for their national industrialization and modernisation.

The two sides exchanged views on new orientation and concrete measures to promote the multi-faceted cooperation between the two countries in the fields of economy, commerce, culture, technology and science.

The Vietnamese side expressed its profound gratitude to the Indian Government and people for their precious assistance and cooperation to Vietnamese Government and people in the past decades particularly in the years when Vietnam faced with many difficulties. It highly appreciated the Indian Government's consistent policy of being ready to help Vietnam and continue strengthening long-term cooperation with it.

Mr. Rao reaffirmed that India would continue helping and cooperating with Vietnam in the fields of agriculture, transport and communication, heavy industry, light industry in which priority would be given to the development of small and medium industrial sectors, education and personnel training.

The two sides agreed to encourage entrepreneurs, establishments, localities to strengthen their direct relations regularly exchange visits to inquire into possibilities and market of each country aimed at making cooperation more effective.

Comparing notes on the regional and international situation, the two prime ministers expressed their desires to make contributions to the cause of peace and cooperation in Southeast Asia and the Pacific, and in the world over on the basis of respect for each other's independence and sovereignty, non-interference into their internal affairs, and equitable and mutually beneficial cooperation. They noted that the non-aligned movement continues to be an important forum to unite developing countries and common objectives namely peace, independence and development.

Delhi Reports Agreements Reached

BK0609151294 Delhi All India Radio Network in English 1430 GMT 6 Sep 94

[Text] India and Vietnam have agreed to set up a joint working group to give a boost to economic, scientific and cultural cooperation. It will have expert groups to recommend a time-bound action program and identify priority areas.

The full-level delegation meeting of the two countries was presided over by the prime ministers of the two countries in Hanoi this morning. Briefing Indian newsmen, Vietnamese Deputy Foreign Minister Le Mai later said experts of the two countries will finalize measures to upgrade economic cooperation to the level of political relations. He said four agreements will be signed tomorrow, including one on cooperation in defense matters. He said the defense agreement is not aimed against any third country.

Our special correspondent Harish Segon, covering the prime minister's visit, says Mr. Narasimha Rao at his second meeting with his Vietnamese counterpart Mr. Vo Van Kiet wanted India and Vietnam to stand together in facing new global challenges like economic disparities, international terrorism and environmental issues. The Vietnamese prime minister said the establishment of the joint working group reflects the strong desire to upgrade economic relations between the two countries.

Vo Van Kiet Thanks Japan's Murayama for Visit

BK0709064194 Hanoi VNA in English 0629 GMT 7 Sep 94

[Text] Hanoi VNA September—Prime Minister [PM] Tomiichi Murayama of Japan has talked with Prime Minister Vo Van Kiet over the phone to thank him for the warmth and hospitality shown by the Vietnamese during his visit to the country from August 25-26.

PM Murayama took that opportunity to extend his congratulations to Vietnam's independence day. In his response, PM Kiet thanked PM Murayama and congratulated the Japanese counterpart on his successful visits to the Philippines, Vietnam, Malaysia, and Singapore.

According to a press release made available here recently by the Japanese embassy, in the eight-minute conversation, PM Murayama expressed his hope that the Vietnamese people understood continuity of Japan's basic foreign policy and its emphasis on Asia throughout his trip to the four South East Asian countries. PM Kiet responded by saying that PM Murayama's visit helped the Vietnamese understand Japanese foreign policy stance and that Vietnam would support it and hoped that Japan would contribute to peace and stability in Asia as the Japanese-Vietnamese relations develop.

PM Murayama stated that the Japanese Government would continue to support the renovation policy of Doi Moi and that he wanted to develop cooperation between the two nations and to expand it to include political, economic, and cultural cooperation. PM Kiet, agreeing with what the Japanese prime minister said, thanked him for Japan's support [of] Vietnam thus far and hoped to strengthen the bilateral cooperation.

PM Murayama asked PM Kiet to give his respects to party Secretary General Do Muoi and President Le Duc Anh and to tell them that the Japanese people would look forward to seeing Mr. Do Muoi soon when he visits Japan at the invitation of the Japanese Government.

Deputy Prime Minister Concludes Romania Visit

BK0409132494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 4 Sep 94

[Text] At the invitation of the Romanian Government, a SRV Government delegation led by Deputy Prime Minister Tran Duc Luong paid an official visit to Romania from 31 August to 2 September.

On 2 September, Romanian President Ion Iliescu cordially received Deputy Prime Minister Tran Duc Luong. The Romanian President highly appraised Vietnam's achievements in the renovation process. He held that the official visit to Romania by the Vietnamese Government delegation was a significant event along the path of developing the traditional friendship and cooperation between the two countries.

On 31 August, Romanian Prime Minister Nicolae Vacaroiu met and held cordial talks with Deputy Prime Minister Tran Duc Luong and his entourage.

The Vietnamese Government delegation led by Deputy Prime Minister Tran Duc Luong held talks with the Romanian Government delegation led by Deputy Prime Minister and Minister of Finance Florin Georgescu. Both sides signed an agreement on investment promotion and protection and an agreement on maritime navigation cooperation.

On the evening of 2 September, the Vietnamese Government delegation left Bucharest for home, concluding its official visit to Romania with splendid success.

Deputy Premier Views Tour Results

BK0409142094 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 4 Sep 94

[Text] After paying an official visit to the Czech Republic, Slovakia, Hungary, Poland, and Romania from 22 August to 2 September, Deputy Prime Minister Tran Duc Luong returned to Hanoi on 3 September.

At Noi Bai International Airport in Hanoi on the same day, the deputy prime minister granted an interview to a QUAN DOI NHAN DAN correspondent.

Answering a question on the results of his visit to the five East European countries, the deputy prime minister said that this is the highest-level government delegation to visit these countries since they experienced upheaval in various domains. The visit was aimed at studying the markets in the region and restoring and developing the traditional relations between Vietnam and these countries which were interrupted during the past several years. At present, the East European countries have increasingly realized the necessity to expand trade relations not only with Western countries, but also with their old trade partners, including Vietnam. These countries contend that the Vietnamese Government delegation's visit was made at an appropriate time, thereby meeting the aspirations of both sides.

Concerning the expansion of cooperation between Vietnam and the East European countries, Deputy Prime Minister Tran Duc Luong said: At present, the East European countries have stabilized their situations and are engaging in developing their nations. Many of them have set up funds to assist their investors in Vietnam. Although the economic components of these friendly nations have not reached high international standards, they are suitable to Vietnam's conditions. We have a large community of Vietnamese businessmen who have effectively traded with these countries in such areas as consumer goods, dress-making, agricultural products, and traditional medicine. This is a good, favorable linkage that will help us enter not only the East European markets, but also markets in other regions.

Deputy Premier's Tour Appraised

BK0509150794 Hanoi Voice of Vietnam in English 1000 GMT 5 Sep 94

[Station commentary]

[Text] Vietnamese Vice Premier Tran Duc Luong has concluded an official visit to Czech, Slovakia, Hungary, Poland, and Romania. Following is our radio comment:

It was the highest-level visit by the Vietnamese Government [delegation] to East European countries since great changes occurred in the region. The visit aimed at restoring and developing the traditional relationship which has been interrupted.

East European countries are aware of the need to establish relations with not only the West but with all friends including Vietnam. They welcomed the Vietnamese Government delegation as meeting the aspirations of the peoples of both sides.

Vietnam has long-standing relations with these countries in many different fields. They have well understood each other.

Vietnam has a large contingent of scientists and technicians trained in these countries and many cooperation projects are still operating effectively in Vietnam. Steps are being made for further cooperation. Many East European countries are now stable and developing. But while their economic developments are not as high as other countries in the world, they are suitable for Vietnam.

The vice premier affirmed with leaders of these countries that East Europe were given priority in Vietnam's foreign economic relations. During the visit, Vice Premier Tran Duc Luong, on behalf of the government, signed a number of agreements on cooperation between state and private businesses with those countries. They included agreements on environment encouragement [as heard] and protection, avoidance of double taxation, and trade and payments. Vietnam's financial debt to these countries is not big, but it has been an ongoing discussion with the host countries. Poland has written off 70 percent of Vietnam's debt and other countries want Vietnam to seek a solution for an overall agreement on the issue. Vietnam's attitude is to be ready to negotiate on the basis of the (?Paris Club) principle

Act Against Residents in Cambodia Condemned

BK0709145794 Hanoi VNA in English 1439 GMT 7 Sep 94

[Text] Hanoi VNA Sept. 7—The Vietnamese Embassy in Cambodia today sent a note to the Ministry of Foreign

Affairs and International Cooperation and the Ministry of the Interior of the Kingdom of Cambodia and the United Nations Centre for Human Rights in Cambodia condemning the new cruel massacre and ransack committed by a group of Khmers against the Vietnamese residents in Cambodia.

The note quotes the initial report by the Vietnamese Residents' Association in Phnom Penh, saying that on September 5th, 1994 at mid-night, a group of more than 10 Khmers armed with B-40 rocket launchers, AK-47 automatic rifles and hand grenades travelled by 5 engine boats attacked the Prek Dam Commune, Koh Chan Sub-District, Ponhea Lu District, Kandal Province. The attackers shot indiscriminately and threw two hand grenades to the Prek Dam Commune while people were asleep killing peoples including four Vietnamese nationals.

Among the injured, there are two Vietnamese children aged two years and over two months respectively, the note writes, adding that 'according to the Chinese language commercial news issued on September 7, 1994, there are 60 suspected Khmer Rouge used 22 engine boats took part in the attack. They searched the residents there and shot those with bright complexion like Vietnamese. They killed 4 Vietnamese and 2 Khmers and injured 5 others. The ransack took place for 2 hours. The attackers took away 11 colour TV and a lot of valuable belongings.'

The Vietnamese Embassy, in its note, urgently request to the competent authority of Cambodia to investigate the case, identify and bring the culprits to face justice and to take effective measures to prevent the recurrence of such brutal act.

Interior Ministry Delegation Visits Thailand

BK0309152394 Hanoi VNA in English 1421 GMT 3 Sep 94

[Text] Hanoi VNA Sept. 3—A delegation of the Vietnamese Ministry of the Interior led by its Minister Bui Thien Ngo has paid a 6-day visit to Thailand at the invitation of Vice Premier and Minister of the Interior Mr. Chawalit Yongchaiyut.

While in Thailand, the delegation called on Prime Minister Chuan Likphai, who asked Minister Bui Thien Ngo to convey his regards to General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet. Prime Minister Chuan Likphai affirmed Thailand's policy to consider Vietnam [words indistinct] key point for the development of the friendship and cooperation in the region and pledged to do his best to promote the relations between the two countries.

The Vietnamese delegation also had working sessions with a delegation of the Thai Ministry of the Interior led by Mr. Chawalit Yongchaiyut. The two sides noted that the relations between the two countries could only be developed on the basis of mutual trust and understanding and the cooperation between the two ministies (?was an) important factor for the further development and promotion of the relations between the two countries. They expressed their readiness to solve the remaining problems in the relations between the two countries.

The delegation also called at some police units and establishments of economy, culture and tourist places in Bangkok and some other localities.

Ambassador to Thailand on SRV-Thai Relations

BK0309150494 Hanoi VNA in English 1426 GMT 3 Sep 94

[Text] Hanoi VNA September 3—'The strong development of the friendly and cooperative relation between Vietnam and Thailand is an urgent demand from both sides for the development and prosperity of each country'. So said, Vietnamese ambassador to Thailand Le Cong Phung on Sept. 2 on the occasion of Vietnam's 49th national day (Sept. 2).

Speaking to the audience of the Channel 11 of the Thai national television, Ambassador Phung said that the above-said development met the strong aspiration of the two peoples for peace, stability, development and cooperation in the whole region.

After reviewing the significant development in the multi-faceted relation between the two countries, includig the exchange of visits by various delegations of different levels, the ambassador said that new momentum and atmosphere for the multi-faceted relation between Vietnam and Thailand have been created.

He stressed that the two countries had expressed their goodwill and readiness to resolve their remaining problems in order to push up the bilateral relations.

He added that this month, Vietnam, Thailand, Laos and Cambodia would meet to reach their agreement on their cooperation relating to the Mekong River issues and that the Viet-Thai joint committee for fishing and maintaining sea order and the joint economic committee would meet by the end of this year.

Ambassador Phung expressed his wish for the fine and strong development of the Viet-Thai relation with every passing day. He also expressed his thanks (?for their) support and acceptance of Vietnam as a full member of the ASEAN.

Do Muoi Inspects Ha Bac Socioeconomic Development

BK0509103694 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 Sep 94

[Summary] "On the august occasion of Revolution Day and National Day, Comrade Do Muoi, general secretary of the party Central Committee, paid a working visit to Ha Bac Province."

On behalf of provincial leaders, Comrade Do Binh Duong, member of the party Central Committee and secretary of the provincial party committee, reported to Comrade General Secretary Do Muoi on the province's socioeconomic situation, plans for the last six months of the year, and goals of the provincial party committee in the coming years.

"Speaking to the provincial leaders, the comrade general secretary reminded them to apply active measures to transform the local economic structure, increase local industrial percentage to at least 30 percent of the province's total production, strengthen the multisectoral economic system, and pay attention to the growth of the state trading sector to lead the market, especially trading of essential materials and goods. He also reminded the officials to build and reform agricultural and forestry cooperatives according to production requirements in order to improve their efficiency, adopt new technologies, and industrialize rural agriculture. The province must motivate people to practice thrift for developing investment, starting with investment in agricultural development, industry, service, and infrastructure."

The comrade general secretary visited a forestry development area in Khuon Than near Kien Lao village in Luc Ngan District, a project which was established with financial assistance from the king of Thailand. It was built to protect and develop natural forests, preserve water resources in Khuon Than, and improve the environment. The general secretary welcomed the project, considered a model for similar projects to be built around the country. General Secretary Do Muoi also visited the family of Mr. Vu Hai Trieu, the first person to introduce planting of a new strain of longan fruit in Luc Ngan District.

The comrade general secretary hailed the party committee and people of Luc Ngan District and Ha Bac Province for introducing measures to encourage the local people to amass wealth legally. He also reminded local leaders to increase production of local fruits and develop processing industries to create favorable conditions for economic development.

Rice Exports Total 1.3 Million Tonnes

BK0509132594 Hanoi Voice of Vietnam in English 1000 GMT 5 Sep 94

[Text] The latest figures for rice exports bring up the national total to 1.3 million tonnes for the year. In addition to its traditional markets such as Germany, Russia, Malaysia, and India, Vietnam has signed major contracts with the United States and Brazil. It now exports 700,000 tonnes of rice to the United States and 300,000 tonnes to Brazil annually.

Dong Nai Seeks Infrastructure Development

BK0409083594 Hanoi VNA in English 0616 GMT 4 Sep 94

[Text] Dong Nai Province has so far licensed 65 foreign-invested projects with a total pledged capital of 830 million U.S. dollars.

The largest is an investment of 246 million U.S. dollars by Taiwan to build a food seasoning industrial complex. It is followed by a Malaysian investment of 242 million U.S. dollars in the Hualon textile-dyeing enterprise.

Most of the foreign-invested projects are concentrated in the Bien Hoah area, about 30 kilometers northeast of Ho Chi Minh City. This 330-ha area has been an industrial park since 1962, but most of the 65 factories there have become obsolete. Since 1989, it has been expanded by another 396 hectares and upgraded in infrastructure.

Dong Nai Province also has the Long Binh and Go Dau industrial area, which are 700 ha and 350 ha respectively. Both have developed blueprints for infrastructure construction. A number of foreign investors have reserved plots of land for their development projects.

Apart from these industrial areas, Dong Nai has waste areas, mostly located near Bien Hoa city or at Highway 51 connecting Ho Chi Minh City and Ng Tau where investors can select sites for their projects.

The best sites for infrastructure development in these areas are in Tuy Ha. More than 10,000 ha have been marked off to become an industrial city of 1 million population. A feasibility study is already under way.

For all these areas, the province is stepping up calls for investments by promising favourable conditions to investors. Investments in the northern part of the province are most welcome especially those in aforestation, materials for paper pulp, rubber, soybean, cotton, fodder, and animal husbandry. Blessed by nature, the northern part of the province is ideal for industrial crops and rich in mineral resources.